AMENDED IN SENATE JUNE 27, 2025

AMENDED IN SENATE JUNE 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL No. 130

Introduced by Committee on Budget (Assembly Members Gabriel (Chair), Addis, Ahrens, Alvarez, Bennett, Bonta, Connolly, Fong, Haney, Hart, Jackson, Lee, Muratsuchi, Ortega, Patel, Petrie-Norris, Quirk-Silva, Ramos, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Ward, and Wilson)

January 8, 2025

An act to amend Sections 714.3, 5850, and 5855 of, and to add Section 2924.13 to, the Civil Code, to amend Sections 12531, 54221, 65400, 65584.01, 65584.04, 65589.5, 65905.5, 65913.10, 65913.16, 65928, 65941.1, 65952, 65953, 65956, 66323, and 66499.41 of, to amend and repeal Sections 65940, 65943, and 65950 of, to add Section 8590.15.5 to, and to repeal Section 66301 of, the Government Code, to amend Sections 17958, 17958.5, 17958.7, 17973, 17974.1, 17974.3, 17974.5, 18916, 18929.1, 18930, 18938.5, 18941.5, 18942, 37001, 50222, 50223, 50253, 50515.10, 50560, 50561, 50562, 53560, and 53562 of, and to add Sections 17974.1.5, 50058.8, 50406.4, 50410, and 53568 to, the Health and Safety Code, ~~to add Section 1770.1 to the Labor Code,~~ to amend Sections 21180, 21183, and 30603 of, and to add Sections 21080.43, 21080.44, 21080.66, 30114.5, and 30405 to, the Public Resources Code, to amend Section 17053.5 of the Revenue and Taxation Code, and to amend Section 5849.2 of the Welfare and Institutions Code, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 130, as amended, Committee on Budget. Housing.

(1) Existing law, the Planning and Zoning Law, authorizes a local agency to provide for the creation of accessory dwelling units (ADUs) in single-family and multifamily residential zones by ordinance, and sets forth standards the ordinance is required to impose with respect to certain matters, including, among others, maximum unit size, parking, and height standards. Existing law authorizes a local agency to provide by ordinance for the creation of junior accessory dwelling units (JADUs), as defined, in single-family residential zones and requires the ordinance to include, among other things, standards for the creation of a JADU, required deed restrictions, and occupancy requirements.

Existing law makes void and unenforceable any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in real property that either effectively prohibits or unreasonably restricts the construction or use of an ADU or JADU on a lot zoned for single-family residential use that meets the above-described minimum standards established for those units. However, existing law permits reasonable restrictions that do not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct, an ADU or JADU consistent with those aforementioned minimum standards provisions.

This bill would prohibit fees and other financial requirements from being included in the above-described reasonable restrictions.

Existing law provides for the creation of ADUs in areas zoned for single-family or multifamily dwelling residential use, by ministerial approval if a local agency has not adopted an ordinance, in accordance with specified standards and conditions. Under existing law, a local agency is also required to ministerially approve an application for a building permit within a residential or mixed-use zone to create any of specified variations of ADUs. Existing law prohibits a local agency from imposing any objective development or design standard that upon any accessory dwelling unit that meets one of those specified variations of ADUs, except as specified.

Existing law authorizes a local agency to establish minimum and maximum unit size requirements for both attached and detached ADUs, subject to certain limitations. Notwithstanding that authorization and the ministerial approval requirement, as described above, existing law

requires a local agency that adopted an ordinance by July 1, 2018, providing for the approval of ADUs in multifamily dwelling structures to ministerially consider a permit application to construct an ADU, as specified, and authorizes that local agency to impose objective standards including, but not limited to, design, development, and historic standards on said ADUs, except for requirements on minimum lot size.

This bill would remove the requirement that a local agency ministerially consider a permit application to construct one of the above-specified variations of ADUs, and would remove the authorization for a local agency to impose objective standards on those ADUs, as specified above. By further prohibiting local governments from imposing certain standards on ADUs, the bill would impose a state-mandated local program.

(2) Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust. Existing law authorizes a borrower to bring an action for injunctive relief to enjoin material violations of certain of these requirements, and requires that the injunction remain in place and any trustee's sale be enjoined until the court determines that the violations have been corrected, as specified.

This bill would make certain conduct an unlawful practice in connection with a subordinate mortgage, including, among others, that the mortgage servicer did not provide the borrower with any communication regarding the loan secured by the mortgage for at least 3 years. The bill would prohibit a mortgage servicer from conducting or threatening to conduct a nonjudicial foreclosure until the mortgage servicer (A) simultaneously with the recording of a notice of default, records or causes to be recorded a certification, as specified, under penalty of perjury that either the mortgage servicer did not engage in an unlawful practice or the mortgage servicer lists all instances when it committed an unlawful practice and (B) simultaneously with the service of a recorded notice of default, the mortgage servicer sends the recorded certification and a notice to the borrower, as specified. By expanding the scope of a crime, this bill would impose a state-mandated local program.

(3) Existing law, the Davis-Stirling Common Interest Development Act, governs the formation and operation of common interest developments. Existing law requires that a common interest development be managed by an association.

Existing law, if an association adopts or has adopted a policy imposing any monetary penalty on any association member for a violation of the governing documents, requires the board to adopt and distribute to each member a schedule of the monetary penalties that may be assessed for those violations, as provided, and prohibits an association from imposing a monetary penalty on a member for a violation of the governing documents in excess of that schedule. Existing law requires the board to notify a member 10 days before a meeting to consider or impose discipline on the member, as specified. Existing law requires the board to provide a member with written notification of a decision to impose discipline on the member within 15 days.

This bill would prohibit monetary fees from exceeding the lesser of that specified schedule or $100 per violation, except as specified. The bill would require the board to give a member the opportunity to cure a violation prior to the meeting to consider or impose discipline, as specified. If the board and the member are in agreement after the meeting to consider or impose discipline, the bill would require the board to draft a written resolution. The bill would provide that the written resolution, signed by the association and member of a dispute pursuant to the procedure not in conflict with the law or governing documents, binds the association and is judicially enforceable. The bill would reduce the time to provide written notification of a decision to impose discipline from 15 days to 14 days.

(4) Existing law, until July 1, 2042, establishes the Seismic Retrofitting Program for Soft Story Multifamily Housing for the purposes of providing financial assistance to owners of soft story multifamily housing for seismic retrofitting to protect individuals living in multifamily housing that have been determined to be at risk of collapse in earthquakes, as specified. Existing law establishes the Seismic Retrofitting Program for Soft Story Multifamily Housing Fund, and its subsidiary account, the Seismic Retrofitting Account, within the State Treasury. Existing law requires the California Residential Mitigation Program, also known as the CRMP, to develop and administer the program, as specified.

This bill would require, upon appropriation by the Legislature, the CRMP to fund the seismic retrofitting of affordable multifamily housing, as specified. The bill would require the CRMP to prioritize affordable multifamily housing serving lower income households, as defined.

(5) Existing law creates the National Mortgage Special Deposit Fund in the State Treasury, which is continuously appropriated and subject

to allocation by the Department of Finance, for the receipt of moneys from the National Mortgage Settlement. Existing law allocates $300,000,000 from the fund to be administered by the California Housing Finance Agency for the purpose of providing housing counseling services certified by the federal Department of Housing and Urban Development to homeowners, former homeowners, or renters and providing mortgage assistance to qualified California households, as specified.

This bill would expand the purpose of the above-described allocation to include providing legal services for home ownership preservation, as specified. By providing new purposes for which an appropriation may be used, this bill would make an appropriation.

(6) Existing law prescribes requirements for the disposal of surplus land by a local agency. Existing law provides that an agency is not required to follow the requirements for disposal of surplus land for "exempt surplus land," except as provided. Existing law defines "exempt surplus land" to mean, among other things, real property that a school district is required to appoint a district advisory committee prior to sale, lease, or rental of any excess real property, as specified, and real property that a school district may exchange for real property of another person or private business firm, as specified.

This bill would remove the above-described school district real property from the definition of "exempt surplus land," thereby requiring that the disposal of that property be done in accordance with the above-described requirements for surplus land disposal.

(7) Existing law, the Affordable Housing on Faith and Higher Education Lands Act of 2023, specifies that a housing development project shall be a use by right, as defined, upon the request of an applicant who submits an application for streamlined approval if, among other criteria, the development is located on land owned on or before January 1, 2024, by an independent institution of higher education or a religious institution, as specified. Existing law prohibits the development from being adjoined to any site where more than ⅓ of the square footage of the site is dedicated to light industrial use, and defines "light industrial use" for these purposes as a use that is not subject to permitting by a district, as defined.

This bill would instead define "light industrial use" as an industrial use that is not subject to permitting by a district.

Existing law authorizes a development project that is eligible for approval as a use by right pursuant to the act to include ancillary uses

on the ground floor of the development. For single-family residential zones, the ancillary uses are limited to childcare centers and facilities operated by community-based organizations, and in all other zones, for commercial uses that are permitted without a conditional use permit or planned unit development permit.

This bill would specify that the childcare facilities are without limitation on the number of children and that the permitted commercial uses for all zones other than single-family residential zones also include childcare centers and facilities operated by community-based organizations.

Existing law specifies that a development project eligible for approval as a use by right pursuant to the act includes any religious institutional use or any use that was previously existing and legally permitted if, among other things, the total parking requirement for nonresidential space on the site does not exceed the lesser of the amount existing or of the amount required by a conditional use permit.

This bill would delete that parking requirement and would instead require the proposed development to provide up to one space per unit, unless a state law or local ordinance provides for a lower standard of parking.

Existing law, for a housing development project that qualifies as a use by right pursuant to the act, allows a certain density based on zoning and other factors, as applicable, including a height of one story above the maximum height otherwise applicable to the parcel.

This bill would instead specify the development is entitled to a height of one story or 11 feet above the maximum height otherwise applicable to the parcel.

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a housing element. After a legislative body has adopted all or part of a general plan, existing law requires, among other things, that a planning agency provide by April 1 of each year an annual report to specified entities that includes prescribed information, including the number of units of housing demolished and new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies, as specified.

This bill would require the annual report to also include specified information with respect to housing development projects under the Affordable Housing on Faith and Higher Education Lands Act of 2023.

(8) Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that contains certain mandatory elements, including a housing element. That law requires each local government to review its housing element and to revise the housing element in accordance with a specified schedule. For the 4th and subsequent revisions of the housing element, existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, and requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law requires the department to meet and consult with the council of governments regarding the assumptions and methodology used to determine a region's housing needs at least 26 months prior to the scheduled revision. Existing law requires the council of governments to provide certain data assumptions from the council's projections, if available, including, among other things, the percentage of households that are overcrowded, the overcrowding rate for a comparable housing market, the percentage of households that are cost burdened, and the rate of housing cost burden for a healthy housing market.

This bill would revise these data assumptions requirements to, instead, require the council of governments to provide data on the percentage of households that are overcrowded within the region, the percentage of households that are overcrowded throughout the nation, the percentage of households that are cost burdened within the region, and the percentage of households that are cost burdened throughout the nation.

Existing law requires each council of governments, or delegate subregion, as applicable, to develop, in consultation with the department, a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable, at least 2 years before a scheduled revision. This methodology is also referred to as the allocation methodology. Existing law requires the council of

governments, or delegate subregion, as applicable, to publish a draft allocation methodology on its internet website and submit the draft allocation methodology to the department. Existing law requires the department to determine whether the methodology furthers the specified objectives within 60 days. If the department determines that the methodology is not consistent with the objectives, existing law requires the council of governments, or delegate subregion, as applicable, to either (A) revise the methodology to further the objectives and adopt a final regional, or subregional, housing need allocation methodology or (B) adopt the regional, or subregional, housing need allocation methodology without revisions and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives, despite the findings of the department.

This bill, if the department determines that the draft allocation methodology is not consistent with the objectives, would instead require the council of governments, or delegate subregion, to revise the methodology, in consultation with the department, to further the objectives within 45 days, receive department acceptance that the revised methodology furthers the objectives, and adopt a final regional, or subregional, housing need allocation methodology. The bill would remove the ability for a council of governments or delegate subregion to adopt the regional or subregional housing need allocation methodology without revision, as described above.

(9) Existing law, except as provided, generally requires that a public hearing be held on an application for a variance from the requirements of a zoning ordinance, an application for a conditional use permit or equivalent development permit, a proposed revocation or modification of a variance or use permit or equivalent development permit, or an appeal from the action taken on any of those applications. Existing law, until January 1, 2034, prohibits a city or county from conducting more than 5 hearings, as defined, held pursuant to these provisions, or any other law, ordinance, or regulation requiring a public hearing, if a proposed housing development project complies with the applicable objective general plan and zoning standards in effect at the time an application is deemed complete, as defined. Existing law, until January 1, 2034, requires the city or county to consider and either approve or disapprove the housing development project at any of the 5 hearings

consistent with the applicable timelines under the Permit Streamlining Act.

This bill would remove the January 1, 2034, repeal date with respect to the requirements that a city or county conduct no more than 5 hearings on a housing development project, and either approve or disapprove that housing development at any of those hearings, as described above, thereby extending these provisions indefinitely.

(10) Existing law, until January 1, 2030, for purposes of any state or local law, ordinance, or regulation that requires a city or county to determine whether the site of a proposed housing development project is a historic site, requires the city or county to make that determination, which remains valid for the pendency of the housing development, at the time the application is deemed complete, except as provided.

This bill would remove the January 1, 2030, repeal date for these provisions, thereby extending them indefinitely.

(11) Existing law, the Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project that complies with applicable objective general plan, zoning, and subdivision standards and criteria, or from imposing a condition that it be developed at a lower density, unless the local agency bases its decision on written findings supported by the preponderance of the evidence on the record that specified conditions exist, as provided. That act also prohibits a local agency from disapproving, or from conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes written findings, based on the preponderance of the evidence, that one of 6 specified conditions exists.

The act authorizes the applicant, a person who would be eligible to apply for residency in the housing development project or emergency shelter, or a housing organization to bring an action to enforce its provisions and authorizes a court to issue an order or judgment directing the local agency to approve the housing development project or emergency shelter under certain circumstances. Those circumstances include, among others and until January 1, 2030, that the local agency required or attempted to require a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a preliminary application was submitted, as specified.

This bill would remove the January 1, 2030, inoperative date for this provision of the act, thereby extending this provision of the Housing Accountability Act indefinitely.

The act, except as specified, requires that a housing development project be subject only to the ordinances, policies, and standards, as defined, adopted and in effect when a preliminary application, including specified information, required by specified law as described below, was submitted. The act makes this requirement inoperative on January 1, 2034.

This bill would remove the January 1, 2034, inoperative date for this requirement under the act, thereby extending this provision of the Housing Accountability Act indefinitely.

Among other terms, the act defines the term "deemed complete" for its purposes to mean, until January 1, 2030, that the applicant has submitted a preliminary application or a complete application, as specified, and requires that the local agency bear the burden of proof in establishing that the application is not complete. The act also defines the term "determined to be complete" for its purposes to mean, until January 1, 2030, that the applicant has submitted a complete application, as specified. The act also defines the term "objective" to mean, until January 1, 2030, involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.

This bill would remove the January 1, 2030, inoperative date for each of these definitions, thereby extending their application under the Housing Accountability Act indefinitely.

(12) Existing law, the Permit Streamlining Act, requires public agencies to compile one or more lists that specify in detail the information that will be required from any applicant for a development project. The act requires a public agency to determine in writing whether the application is complete and to immediately transmit the determination to the applicant for the development project, not later than 30 calendar days after the public agency received the application for the development project. The act defines "development project" for purposes of its provisions to mean any project undertaken for the purpose of development, including a project involving the issuance of a permit for construction or reconstruction but not a permit to operate, and excludes from this definition any ministerial projects proposed to be carried out or approved by public agencies.

This bill, notwithstanding the exclusion for ministerial projects, would include in the definition of "development project" under the Permit Streamlining Act a housing development project that requires an entitlement from a local agency, regardless of whether the process for permitting that entitlement is discretionary or ministerial. The bill would also exclude from this definition a postentitlement phase permit, as defined by specified law.

The act requires a city or county to deem an applicant for a housing development project to have submitted a preliminary application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought. Existing law also authorizes a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and requires a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. Existing law repeals these provisions as of January 1, 2030.

This bill would remove the January 1, 2030, repeal date for these provisions, thereby extending the provisions indefinitely.

No later than 30 calendar days after receiving an application for a development project, the act requires a local agency to determine in writing whether the application is complete and immediately transmit that determination to the applicant. The act, until January 1, 2030, requires a public agency, upon its determination that an application for a development project is incomplete, to provide the applicant with an exhaustive list of items that were not complete, as specified. The act, until January 1, 2030, requires each city and each county to make copies of any list compiled, as described above, with respect to information required from an applicant for a housing development project, as defined, available in writing to those persons to whom the agency is required to make information available, as provided, and publicly available on the internet website of the city or county.

This bill would remove the January 1, 2030, repeal date with respect to provision of an exhaustive list of requirements not complete, and availability of lists compiled with respect to housing development projects, thereby extending these provisions indefinitely.

The act requires public agencies to approve or disapprove of a development project within certain timeframes, as specified. The act, until January 1, 2030, generally requires that a public agency that is the lead agency for certain development projects approve or disapprove

the project within 90 days from the date of certification by the lead agency of an environmental impact report prepared for the project, but reduces this time period to 60 days from the certification of an environmental impact report if the project meets certain additional conditions relating to affordability. The act, until January 1, 2030, defines the term "development project" for this purpose to mean a housing development project, as that term is defined for purposes of the Housing Accountability Act, except as specified. Beginning January 1, 2030, the act extends the above-described timelines from 90 days to 120 days, and from 60 days to 90 days, respectively, and defines the term "development project" to mean a use consisting of residential units only or certain mixed-use developments.

This bill would remove the January 1, 2030, repeal date for the 90-day and 60-day timelines described above and for the definition of "housing development project," thereby extending these provisions indefinitely, and would make a conforming change by repealing the above-described provisions that take effect on January 1, 2030.

This bill would also require that a public agency that is the lead agency for a development project approve or disapprove a project within 60 days, as specified, from the date of receipt of a complete application, if the project is subject to ministerial review by the public agency. The bill would, for a development project exempt from the California Environmental Quality Act (CEQA) pursuant to the below-described CEQA exemption for housing development projects, require that a public agency that is the lead agency for the development projects approve or disapprove the project within 30 days from the conclusion of specified environmental assessments.

Existing law requires a public agency, other than the California Coastal Commission, that is a responsible agency for a housing development, as defined, that has been approved by the lead agency to approve or disapprove the development within specified time periods.

This bill would require the California Coastal Commission to comply with those time periods applicable to a responsible agency.

The act authorizes an applicant for a permit for a development project, if any provision of law requires a lead agency or responsible agency to provide public notice of the development project or to hold a public hearing on the development project and the agency has not done so at least 60 days before the expiration of specified time limits, to file an action to compel the agency to provide the public notice or hold the hearing, as specified. In the event that a lead agency or a responsible

agency fails to act to approve or to disapprove a development project within the time limits required by the act, existing law deems the failure to act as an approval of the permit application for the development project, only if the public notice required by law has occurred, as specified.

This bill would remove the requirement that the public notice required by law has occurred, in order for the failure to act to be deemed as an approval of the permit application for the development project.

The act provides that the time limits specified in the act are maximum time limits for approving or disapproving development projects. The act requires, if possible, public agencies to approve or disapprove development projects in shorter periods of time.

This bill would require that the time limits specified in the act only apply to the extent that the time limits are equal to or shorter than the applicable time limits for public agency review established in any other law.

(13) Existing law, known as the Housing Crisis Act of 2019, prohibits an affected county or an affected city, as defined and determined by the Department of Housing and Community Development, as specified, from enacting certain development policies, standards, or conditions with respect to land where housing is an allowable use, including policies, standards, or conditions that impose a moratorium or similar restriction or limitation on housing development or that limit the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated. The act also prohibits an affected city or an affected county from approving a housing development project that will require the demolition of one or more residential dwelling units, unless the project will create at least as many residential dwelling units as will be demolished, or from approving a development project that will require the demolition of occupied or vacant protected units or that is located on a site where protected units were demolished in the previous 5 years, unless specified conditions are met. The act repeals these provisions as of January 1, 2034.

This bill would remove the above-described January 1, 2034, repeal date, thereby extending application of the Housing Crisis Act of 2019 indefinitely.

(14) Existing law, the Subdivision Map Act, vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or

disapproval, and filing of tentative, final, and parcel maps, and the modification thereof. The act generally requires a subdivider to file a tentative map or vesting tentative map with the local agency, as specified, and the local agency, in turn, to approve, conditionally approve, or disapprove the map within a specified time period. A violation of any provision of this act is a crime.

Existing law, known as the Starter Home Revitalization Act of 2021, among other things, requires a local agency to ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets certain requirements, including that the housing development project on the lot proposed to be subdivided will contain 10 or fewer residential units, except as provided.

This bill would authorize the proposed subdivision to designate a remainder parcel, as described, that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. Under the bill, the remainder parcel would not count against the 10-parcel maximum, as described above. The bill would also exclude the area of any designated remainder parcel from specified residential density calculations under the Starter Home Revitalization Act of 2021. By expanding the duties for a local agency to ministerially consider a housing development project, this bill would impose a state-mandated local program. The bill would make nonsubstantive and related conforming changes to the Starter Home Revitalization Act of 2021.

Existing law authorizes a local agency to condition the approval and recordation of a subdivision map upon the completion of a residential structure in compliance with all applicable provisions of the California Building Standards Code that contains at least one dwelling unit on each resulting parcel that does not already contain an existing legally permitted residential structure or is reserved for internal circulation, open space, or common area.

This bill would, instead, generally prohibit a person from selling, leasing, or financing any parcel or parcels of real property resulting from a subdivision under this section, as specified, separately from any other such parcel or parcels, unless each parcel that is sold, leased, or financed meets one of 4 specified alternative criteria, including that the parcel contains a residential structure completed in compliance with all applicable provisions of the California Building Standards Code that includes at least one dwelling unit. Under the bill, a violation of this

prohibition would constitute the sale of real property that has been divided in violation of the Subdivision Map Act, subject to the penalties and remedies set forth in specified provisions of the Subdivision Map Act. However, the bill would authorize a local agency, by ordinance or map condition, to authorize the sale, lease, or finance of any parcel or parcels of real property resulting from a subdivision, as specified, without compliance with the above-described prohibition on the sale, lease, or finance of a parcel or parcels of real property. Because a violation of these prohibitions would be a crime, the bill would impose a state-mandated local program.

(15) Existing law establishes the Department of Housing and Community Development (department) in the Business, Consumer Services, and Housing Agency. Existing law, the California Building Standards Law, establishes the California Building Standards Commission (commission) within the Department of General Services. Existing law requires the commission to approve and adopt building standards and to codify those standards in the California Building Standards Code (code). Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation.

Existing law requires, among other things, the building standards adopted and submitted by the department for approval by the commission, as specified, to be adopted by reference, with certain exceptions. Existing law authorizes any city or county to make changes in those building standards that are published in the code, including to green building standards. Existing law requires the governing body of a city or county, before making modifications or changes to those green building standards, to make an express finding that those modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions.

This bill would, from October 1, 2025, to June 1, 2031, inclusive, prohibit a city or county from making changes that are applicable to residential units to the above-described building standards unless a certain condition is met, including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety.

This bill would, from October 1, 2025, to June 1, 2031, inclusive, require the commission to reject a modification or change to any building standard, as described above, affecting a residential unit and filed by the governing body of a city or county unless a certain condition

is met (excluded conditions), including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety. The bill would also make related findings and declarations. The bill would authorize the commission to rely on a statement by the local agency that specified excluded conditions are met. The bill would also authorize the city or county to request the commission to review one of the excluded conditions relating to changes or modifications related to administrative practices.

The California Building Standards Law defines various terms to govern the construction of its provisions, including "model code," which means any building code drafted by private organizations or otherwise, and is required to include, but not be limited to, the latest edition of various codes.

This bill would modify the definition of "model code" to add the latest edition of the International Wildland-Urban Interface Code of the International Code Council.

Existing law requires the commission to receive proposed building standards from state agencies for consideration in an 18-month code adoption cycle and to develop regulations, as specified, setting forth the procedures for the 18-month adoption cycle.

This bill, from October 1, 2025, to June 1, 2031, inclusive, would provide that the above-described requirement does not apply to any building standards affecting residential units and would prohibit the commission from considering, approving, or adopting any proposed building standards affecting residential units, unless a certain condition is met, including that the commission deems those changes necessary as emergency standards to protect health and safety.

The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the commission for approval and adoption.

This bill, from October 1, 2025, to June 1, 2031, inclusive, would prohibit the commission or any other adopting agency from considering, approving, or adopting any proposed building standards affecting residential units, unless a certain condition is met, including that the commission deems those changes necessary as emergency standards to protect health and safety.

Existing law requires only those building standards approved by the commission, and that are effective at the local level at the time an application for a building permit is submitted, to apply to the plans and

specifications for, and to the construction performed under, that building permit. Existing law requires a local ordinance adding or modifying building standards for residential occupancies, which are published in the California Building Standards Code, to apply only to an application for a building permit submitted after the effective date of the ordinance and to the plans and specifications for, and the construction performed under, that permit, subject to certain exceptions.

This bill would, notwithstanding those provisions, require the state and local building standards in effect at the time an application for a building permit is submitted, for a residential dwelling based on a model home design approved under those standards, to apply to all future residential dwellings based on that approved model home design in the same jurisdiction, unless a certain condition applies. By requiring local entities to apply certain building standards, this bill would impose a state-mandated local program.

Existing law provides that neither the State Building Standards Law, nor the application of certain building standards, limits the authority of a city, county, or city and county to establish more restrictive building standards, including, but not limited to, green building standards, reasonably necessary because of local climatic, geological, or topographical conditions, and pursuant to making certain findings.

This bill would, notwithstanding those provisions, from October 1, 2025, to June 1, 2031, inclusive, prohibit a city or county from establishing more restrictive building standards that are applicable to residential units, unless a certain condition is met, including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety.

Existing law requires the commission to publish, or cause to be published, editions of the code in its entirety once in every 3 years, and supplements as necessary in the intervening period. Existing law also requires an emergency building standards supplement to be published whenever the commission determines it is necessary.

This bill would limit the changes adopted during the intervening period to changes deemed necessary for editorial or clarity reasons, certain technical updates to existing code requirements, emergency building standards, amendments by the State Fire Marshal to specified building standards, certain necessary building standards and related state amendments, certain changes or modifications to administrative practices, and building standards necessary to incorporate minimum federal accessibility requirements, as specified.

(16) Existing law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce. Existing law requires an inspection, by January 1, 2026, and by January 1 every 6 years thereafter, of exterior elevated elements and associated waterproofing elements, as defined, including decks and balconies, for buildings with 3 or more multifamily dwelling units, as specified.

This bill would provide that, notwithstanding the above-described inspection timeline, a building owner who confirms the presence of asbestos containing material (ACM) during an inspection, as specified, has up to 9 months to complete the necessary ACM abatement, as provided. The bill would require the building owner to, upon completion of ACM abatement, complete the inspection within no more than 4 months. The bill would require the building owner to retain records confirming the presence of ACM and its abatement for 3 years after completion of the inspection. By imposing additional duties on local officials, this bill would impose a state-mandated local program.

(17) The State Housing Law, among other things, requires the Department of Housing and Community Development to adopt, amend, or repeal rules and regulations for the protection of the health, safety, and general welfare of the occupant and the public relating to specified residential structures, as provided, which apply throughout the state. Existing law requires the housing or building department of every city or county, or the health department if there is no building department, to enforce within its jurisdiction the provisions of the State Housing Law, building standards, and the other rules and regulations adopted by the department pertaining to the maintenance, sanitation, ventilation, use, or occupancy of apartment houses, hotels, or dwellings. Existing law authorizes an officer, employee, or agent of an enforcement agency to enter and inspect any building or premises whenever necessary to secure compliance with, or prevent a violation of, specified law, including the State Housing Law. A violation of the State Housing Law, or of the building standards or rules and regulations adopted pursuant to that law, is a misdemeanor.

Existing law requires a city or county that receives a complaint from an occupant of a homeless shelter, as defined, or an agent of an occupant, alleging that a homeless shelter is substandard to, among other things, inspect the homeless shelter or portion thereof intended for human

occupancy that may be substandard, as specified. Existing law requires a city or county that determines a homeless shelter is substandard to issue a notice to correct the violation to the owner or operator of the homeless shelter, as specified. Existing law makes the owner or operator of a homeless shelter responsible for correcting any violation cited pursuant to these provisions.

This bill would require a city or county to additionally perform an annual inspection of every homeless shelter located in its jurisdiction, as prescribed. The bill would authorize the above-described inspection or annual inspection to be announced or unannounced. The bill would require homeless shelters to prominently display notice of an occupant's rights, the process for reporting a complaint alleging a homeless shelter is substandard, and prescribed information, including specified contact information. The bill would require the homeless shelter to provide the same notice in writing to new occupants upon intake.

Existing law authorizes a city or county to impose additional civil penalties on an owner or operator that fails to correct a violation within the required time period. Existing law prohibits a city or county from awarding or distributing any state funding, as defined, to the owner or operator of a homeless shelter for purposes of operating the homeless shelter if, among other things, the owner or operator fails to correct a violation within the required time period. Existing law also authorizes legal action to enforce the requirements of these provisions, as specified.

This bill would entitle a plaintiff who prevails in an above-described legal action to recover reasonable attorney's fees and costs. The bill would additionally authorize the Department of Housing and Community Development to bring a civil action to enforce these provisions.

Existing law requires each city and county to annually submit a report that provides specified information relating to inspections of homeless shelters, including a list of owners or operators of homeless shelters who received 3 or more violations within any 6-month period. If there are no outstanding violations or violations corrected during the applicable period, existing law exempts a city or county from submitting that report. Existing law authorizes the Department of Housing and Community Development or the Business, Consumer Services, and Housing Agency to deem an owner or operator of a shelter ineligible for state funding, as defined, for shelter operations based on the information provided in the report.

This bill would, instead, require a city or county to submit a report each year, regardless of whether the city or county received any

complaints, and to include in its annual report the number of complaints received by the city or county that year, including if the city or county did not receive any complaints. The bill would require the department to withhold state funding from a city or county that fails to comply with its reporting requirements or fails to take action to correct a violation by a homeless shelter.

By adding to the duties of local officials with respect to enforcement of the State Housing Law, the violation of which is a crime, this bill would impose a state-mandated local program.

(18) The California Constitution prohibits the development, construction, or acquisition in any manner of a low-rent housing project by any state public body, as defined, until a majority of the qualified electors of the city, town, or county in which it is proposed to develop, construct, or acquire the same, voting upon that issue, approve the project by voting in favor at an election. The California Constitution, for purposes of this prohibition, defines "low-rent housing project" to mean any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or in part by the federal government or a state public body, or to which the federal government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. Existing law establishes exclusions from this definition of "low-rent housing project," including, among others, a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act and the Affordable Housing and Sustainable Communities Program.

Existing law, the Behavioral Health Infrastructure Bond Act of 2024 (bond act), which establishes the Behavioral Health Infrastructure Fund, requires specified proceeds of interim debt and bonds that are issued and sold pursuant to the bond act to be deposited in the fund, and continuously appropriates the fund for purposes of the bond act. Existing law requires the moneys in the fund to be used for certain purposes, including making loans or grants administered by the Department of Housing and Community Development to state, regional, and local public entities and development sponsors to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing for persons who are homeless, chronically homeless,

or are at risk of homelessness, and are living with a behavioral health challenge, are veterans, or are part of a veteran's household. Existing law allocates moneys in the fund for those purposes.

This bill would expand the above-described exclusion to include a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to the bond act, thereby excluding the developments that receive moneys from the specified fund and program from the scope of the above-described constitutional provision.

(19) Existing law establishes the Interagency Council on Homelessness and requires the goals of the council to include, among other things, identifying mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. Existing law requires the council to administer certain grant programs to assist local governments in addressing homelessness.

Existing law establishes the Homeless Housing, Assistance, and Prevention program (HHAP) for the purpose of providing jurisdictions with grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified. Existing law provides for the allocation of funding under the program among continuums of care, cities, counties, and tribes in 6 rounds, which are administered by the council. Existing law requires a program applicant to provide specified information through data collection, reporting, performance monitoring, and accountability framework.

Existing law mandates that responsibility for administering specified grant programs transferred from the council to the Department of Housing and Community Development, including the HHAP program.

This bill would specify that the reporting requirements described above apply to all rounds of the HHAP program and make conforming changes to reflect the transfer of responsibility for the reporting framework from the council to the department.

(20) Existing law establishes the Encampment Resolution Funding program, administered by the Interagency Council on Homelessness, to increase collaboration between the council, local jurisdictions, and continuums of care for specified purposes. Existing law requires the council to administer the funding round 1 moneys of the programs in accordance with specified timelines, and requires recipients of funding

round 1 moneys to expend all program funds no later than June 30, 2024, as specified.

Existing law requires recipients of additional funding round moneys for projects from prior funding rounds that the council determined satisfied applicable program requirements but were not funded in the prior round to expend at least 50% of their allocation within 2 fiscal years of the appropriation from the Legislature, to obligate 100% of their allocation within 2 fiscal years of the appropriation, and to expend all program funds within 3 fiscal years of the appropriation, as specified.

Existing law requires recipients of additional funding round moneys awarded on a rolling basis pursuant to specified provisions to expend at least 50% of their allocation within 2 fiscal years of the appropriation from the Legislature, to obligate 100% of their allocation within 2 fiscal years of the appropriation, and to expend all program funds within 4 fiscal years of the appropriation.

This bill would revise the above-described timelines to instead be within the above-specified fiscal years of the date of the award.

(21) Existing law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, among other things, establishes the Department of Housing and Community Development and requires it to administer various programs intended to promote the development of housing and to provide housing assistance and home loans. Existing law sets forth various general powers of the department in implementing these programs, including authorizing the department to enter into long-term contracts or agreements of up to 30 years for the purpose of servicing loans or grants or enforcing regulatory agreements or other security documents.

Existing law, unless an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity would result in a rent increase for tenants of a development, authorizes the department to approve an extension, reinstatement, subordination, or investment pursuant to specified rental housing finance programs, as specified, or if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the restructured loan. Existing law authorizes the adjustment of rents for assisted units to the minimum extent necessary to support new debt to pay for rehabilitation, as specified, and provides formulas to calculate the maximum allowable rent increase for different programs. Existing law authorizes the

department to charge a monitoring fee to cover the aggregate monitoring costs in years the loan is extended and a transaction fee to cover its costs for processing restructuring transactions, and requires developer fee limitations to be consistent with specified laws and regulations, including regulations by the California Tax Credit Allocation Committee.

This bill would revise and recast these provisions, including additionally authorizing the department to approve the payoff of a department loan in whole or part before the end of its term and the extraction of equity from a development for purposes approved by the department. The bill would specify eligible uses of loan and equity sources, if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the department's regulatory agreement for purposes of approving an extension, reinstatement, subordination, payoff, extraction, or investment, as described above. The bill would prohibit the extension, reinstatement, subordination, payoff, extraction, or investment, as described above, if it would result in a rent increase for tenants of a development over and above the annual adjustment to the tenants' rents under the department's regulatory agreement.

This bill would recast certain provisions related to regulatory agreements, including authorizing the department to add another regulatory agreement and authorizing the department to waive specified requirements in the regulatory agreement if the loan is paid off, including requiring occupancy and financial reports. The bill would specify that rents for assisted units may not be adjusted to support new debt for the extraction of equity. The bill would revise certain provisions related to calculating a permitted rent increase, as provided. The bill would authorize the department to charge additional fees as necessary to cover its costs for processing restructuring transactions, and would provide that the monitoring fees continue until the end of the term of the department's regulatory agreement, as specified. The bill would limit developer fees to the amount allowed by the California Tax Credit Allocation Committee or to 25% of actual rehabilitation costs, as applicable.

This bill would require the department, subject to certain conditions, to allow property owners subject to a regulatory agreement with the department to take out additional debt on the development in order to finance, with the department's approval, the rehabilitation of the property or investment in new affordable housing.

Existing law, known as the No Place Like Home Program, requires the department to award up to $2,000,000,000 among counties to finance capital costs, including, but not limited to, acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves, of permanent supportive housing for the target population, as specified.

This bill would define "capitalized operating reserves" for purposes of the Zenovich-Moscone-Chacon Housing and Home Finance Act and the No Place Like Home Program.

(22) Existing law requires the Department of Housing and Community Development to administer various programs intended to promote the development or rehabilitation of housing, including the Joe Serna, Jr. Farmworker Housing Grant Program, the Multifamily Housing Program, the Transit-Oriented Development Implementation Program, the Veterans Housing and Homeless Prevention Act of 2014, the No Place Like Home Program, the Deferred-Payment Rehabilitation Loan Program, the Family Housing Demonstration Program, and the Affordable Housing and Sustainable Communities Program. Existing law authorizes the department to set aside, designate, use, or expend a portion of the funds in those programs for specified purposes, including to cure or avert a default on certain loans or obligations, or to bid at a foreclosure sale where the default or foreclosure sale would jeopardize the department's security in certain rental housing developments.

This bill would establish the Affordable Housing Default Reserve Account. The bill would provide that all moneys in the account are continuously appropriated to the department for the purpose of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted by the department. The bill also would authorize the department to use the funds in the account to repair or maintain specified rental housing developments. The bill would authorize the Department of Finance to transfer amounts in specified funds or programs to the Affordable Housing Default Reserve Account for expenditure by the department. During any fiscal year, if the department spends a total of more than 25% of the balance that was in the account at the start of that fiscal year, the bill would require, within 30 days of surpassing that amount, the department to provide written notice to the Joint Legislative Budget Committee, as specified.

(23) Existing law establishes the Regional Early Action Planning Grants Program of 2021 (program) for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities, as defined. Existing law requires the Department of Housing and Community Development (department) to develop and administer the program, in collaboration with the Office of Land Use and Climate Innovation, the Strategic Growth Council, and the State Air Resources Board, and to distribute funds, upon appropriation, in accordance with specified requirements.

Existing law requires a recipient of funds under the program to obligate those funds no later than September 30, 2024, and expend those funds no later than June 30, 2026. Existing law requires each eligible entity that receives an allocation of funds pursuant to certain of the program's provisions to submit a final report on the use of those funds to the department, as specified, no later than December 31, 2026.

This bill would instead require a recipient of funds under the program to expend those funds no later than December 31, 2026, and would require the above-described final report to be submitted no later than June 30, 2027. The bill would also require the final invoice submission deadline to reimburse those funds to be June 30, 2027.

If certain of those entities that received an allocation have unexpended funds after June 30, 2026, existing law authorizes the department to make those funds available to other of those entities for reimbursement of expenditures incurred before June 30, 2026, as specified, before December 31, 2026, as specified.

This bill would instead, if certain of those entities that received an allocation have unexpended funds after December 31, 2026, authorize the department to make those funds available to other of those entities for reimbursement of expenditures incurred before December 31, 2026, as specified, before December 31, 2027, as specified.

(24) Under existing law, the Transit-Oriented Development Implementation Program is administered by the Department of Housing and Community Development to provide local assistance to developers for the purpose of developing higher density uses within close proximity to transit stations, as provided.

This bill would instead authorize the program to provide local assistance for the purpose of supporting the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure. The bill would additionally authorize the program to

provide local assistance to cities, counties, cities and counties, transit agencies, and eligible tribal applicants, as defined.

Existing law establishes the Transit-Oriented Development Implementation Fund and, to the extent funds are available, requires the department to make loans for the development and construction of housing development projects within close proximity to a transit station that meet specified criteria.

This bill would instead authorize the department, to the extent funds are available, to make repayable or forgivable loans for the development and construction of vehicle miles traveled-efficient affordable housing and to make grants for infrastructure necessary for the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure projects, as specified.

This bill would require the Office of Land Use and Climate Innovation, subject to appropriation, and, with the agreement of the Regents of the University of California, contract with the University of California to conduct an evaluation of the mitigation measures used by projects participating in the Transit-Oriented Development Implementation Program to reduce vehicle miles traveled, as specified. The bill would require the office to complete the evaluation and submit a report to the Legislature on or before July 1, 2031.

(25) CEQA requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA defines a responsible agency as a public agency, other than the lead agency, which has responsibility for carrying out or approving a project. CEQA exempts from its requirements various projects, including, but not limited to, housing projects that meet certain requirements.

This bill would authorize, if a lead agency determines that a project will have a significant transportation impact, the lead agency to mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating housing or related infrastructure projects, including by contributing an amount, to be determined pursuant to

guidance issued by the office, into the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program. The bill would authorize deposit of those contributions into the fund beginning on or before July 1, 2026, as determined by the department, and would make those moneys available to the department, upon appropriation by the Legislature, for the purpose of awarding funding for affordable housing or related infrastructure projects under the program in accordance with specified priorities. The bill would require, on or before July 1, 2026, and at least once every 3 years thereafter, the office, in consultation with other state agencies, to issue guidance related to the implementation of these provisions, as provided. The bill would require the office, in consultation with the department, the Transportation Agency, and regions, to evaluate the use of vehicle miles traveled mitigation resources allocated pursuant to the above-described program, as specified, beginning the year following the first distributions of funding. The bill would make related findings and declarations.

Existing law requires workers employed on public works to be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality that the public work is performed, as prescribed, unless an exception applies.

This bill would exempt from the requirements of CEQA any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project, as may be required by CEQA, if the housing development project meets certain conditions relating to, for example, size, density, location, and use, including specific requirements for any housing on the project site located within 500 feet of a freeway. This bill would require a local government to, within specified timeframes, provide formal notification to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, as specified. The bill would require a local government, as a condition of approval for the development, to require the development proponent to complete a specified environmental assessment regarding hazardous substance releases. If a recognized environmental condition is found, the bill would require the development proponent to complete a preliminary endangerment assessment and specified mitigation based on that assessment.

This bill would also require ~~a housing development project, subject to this CEQA exemption, to meet specified minimum wage requirements~~

~~for construction workers on the project, as prescribed. The bill would also exempt~~ specified housing development projects that are subject to this CEQA exemption ~~from the minimum wage requirement and require those projects~~ to be paid prevailing wage rates, as specified, regardless of whether the housing development project is a public work. The bill would require specified projects, including specified projects of 50 units or greater in the City and County of San Francisco, to comply with specified labor standards, extend the liability to a development proponent, as defined, for any debt owed to a wage claimant or third party on the wage claimant's behalf under specified law, and authorize a joint labor-management cooperation committee to bring an action to enforce the specified requirements, as specified. ~~The bill would specify that the minimum wage requirements, the extension of the liability to a development proponent, and the authorization of a joint labor-management cooperation committee to bring action to enforce specified requirements do not apply to projects of 25 units or fewer, or in the City and County of San Francisco, 10 units or fewer, that are subject to this CEQA exemption.~~

Because a lead agency would be required to determine whether a housing development project qualifies for the above-described exemption and because a local government would be required to provide formal notification to California Native American tribes, the bill would impose a state-mandated local program.

~~(26) Existing law generally requires that workers employed on public works be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work, as prescribed. Existing law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor. Existing law requires the Director of Industrial Relations to determine the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed, and the general prevailing rate of per diem wages for holiday and overtime work, as specified.~~

~~This bill would prohibit the Director of Industrial Relations from considering wages for work on any housing development project, as defined, in the determination of the prevailing rate of per diem wages, as specified. The bill would require that a housing development project that qualifies as a public works project subject to prevailing wage requirements be paid not less than the general prevailing rate of per~~

~~diem wages for holiday and overtime work, as specified. To the extent that these provisions would expand the definition of a crime, this bill would impose a state-mandated local program.~~

~~(27)~~

(26) The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified conditions for certain streamlining benefits related to CEQA. The act requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. Among other categories of projects, the act authorizes the Governor to certify a housing development project that, among other things, will result in a minimum investment of $15,000,000, but less than $100,000,000, in California upon completion of construction.

This bill would authorize the governor to designate for this streamlining one of these housing development projects that will result in an investment of $15,000,000 or more in California upon completion, without an upper limit on the resulting investment.

The act requires, as one of the conditions for certification of a housing development project, that it not result in any net additional emission of greenhouse gases, including greenhouse gas emissions from employee transportation. The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

The bill would authorize, as an alternative to the no net additional greenhouse gas condition for certification of a housing development project as an environmental leadership development project, a demonstration that the project is consistent with the most recent scoping plan adopted by the state board.

By expanding the duties imposed on lead agencies, this bill would impose a state-mandated local program.

~~(28)~~

(27) Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and prescribes the powers and responsibilities of the commission with regard to the regulation of development along the California coast.

The act prescribes procedures for the approval and certification of a local coastal program by the commission, and provides for the delegation of development review authority to a local government, as defined, with a certified local coastal program. Under the act, an action taken by a local government after certification of its local coastal program on a coastal development permit application may be appealed to the commission only on specified grounds and only for certain types of developments, including certain developments located in a sensitive coastal resource area and any development approved by a coastal county that is not designated as the principal permitted use under the zoning ordinance or zoning district map, as specified.

This bill would exempt a residential development project, as defined, from the above provisions relating to the appeal of developments located in a sensitive coastal resource area and developments approved by a coastal county. The bill would also require the commission, no later than July 1, 2027, and annually thereafter, to submit a report to the Legislature that includes specified information relating to residential development projects for the preceding calendar year, as specified.

~~(29)~~

(28) Existing law, the Personal Income Tax Law, authorizes various credits against the taxes imposed by that law, including a credit for qualified renters in the amount of $120 for spouses filing joint returns, heads of household, and surviving spouses if adjusted gross income is $50,000, as adjusted, or less, and in the amount of $60 for other individuals if adjusted gross income is $25,000, as adjusted, or less. Existing law requires any bill authorizing a new tax credit to contain, among other things, specific goals, purposes, and objectives that the tax credit will achieve, detailed performance indicators, and data collection requirements.

Existing law establishes the continuously appropriated Tax Relief and Refund Account in the General Fund and provides that payments required to be made to taxpayers or other persons from the Personal Income Tax Fund are to be paid from that account, including any amount allowable as an earned income tax credit in excess of any tax liabilities.

This bill, for taxable years beginning on or after January 1, 2026, and only when specified annually in a bill relating to the Budget Act, would increase the credit amount for a qualified renter to $250 and $500, as provided. In the event the increased credit amount is not specified in a bill relating to the Budget Act, the existing credit amounts of $120 and $60, as described above, respectively, would be the credit amounts for

that taxable year. The bill would provide findings and declarations relating to the goals, purposes, and objectives of this credit.

~~(30)~~

(29) This bill would make its provisions severable.

~~(31)~~

(30) This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

~~(32)~~

(31) This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco with respect to the above-described CEQA exemption and minimum wage requirements.

~~(33)~~

(32) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~(34)~~

(33) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 714.3 of the Civil Code is amended to read:

714.3. (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in real property that either effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use that meets the requirements of Article 2 (commencing with

Section 66314) of Chapter 13 or Article 3 (commencing with Section 66333) of Chapter 13 of Division 1 of Title 7 of the Government Code is void and unenforceable.

(b) This section does not apply to provisions that impose reasonable restrictions on accessory dwelling units or junior accessory dwelling units. For purposes of this subdivision, "reasonable restrictions" means restrictions that do not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct, an accessory dwelling unit or junior accessory dwelling unit consistent with the provisions of Article 2 (commencing with Section 66314) or Article 3 (commencing with Section 66333) of Chapter 13 of Division 1 of Title 7 of the Government Code. "Reasonable restrictions" shall not include any fees or other financial requirements.

SEC. 2. Section 2924.13 is added to the Civil Code, to read:

2924.13. (a) As used in this section:

(1) "Borrower" has the same meaning as defined in Section 2929.5.

(2) "Mortgage servicer" includes the current mortgage servicer and any prior mortgage servicers.

(3) "Subordinate mortgage" means a security instrument in residential real property, including a deed of trust and any security instrument that functions in the form of a mortgage, that was, at the time it was recorded, subordinate to another security interest encumbering the same residential real property.

(b) The following conduct constitutes an unlawful practice in connection with a subordinate mortgage:

(1) The mortgage servicer did not provide the borrower with any written communication regarding the loan secured by the mortgage for at least three years.

(2) The mortgage servicer failed to provide a transfer of loan servicing notice to the borrower when required to provide that notice by law, including, but not limited to, the federal Real Estate Settlement Procedures Act, as amended (12 U.S.C. Sec. 2601 et seq.), and investor or guarantor requirements.

(3) The mortgage servicer failed to provide a transfer of loan ownership notice to the borrower when required to provide that notice by law, including, but not limited to, the federal Truth in

Lending Act, as amended (15 U.S.C. 1601, et seq.), and investor or guarantor requirements.

(4) The mortgage servicer conducted or threatened to conduct a foreclosure sale after providing a form to the borrower indicating that the debt had been written off or discharged, including, but not limited to, an Internal Revenue Service Form 1099.

(5) The mortgage servicer conducted or threatened to conduct a foreclosure sale after the applicable statute of limitations expired.

(6) The mortgage servicer failed to provide a periodic account statement to the borrower when required to provide that statement by law, including, but not limited to, the federal Truth in Lending Act, as amended (15 U.S.C. 1601, et seq.), and investor or guarantor requirements.

(c) A mortgage servicer, mortgagee, trustee, beneficiary, or authorized agent shall not conduct or threaten to conduct a nonjudicial foreclosure until the mortgage servicer, mortgagee, trustee, beneficiary, or authorized agent does both of the following:

(1) Simultaneously with the recording of a notice of default, records or causes to be recorded, in the office of the county recorder of the county that the encumbered property is located, a certification under penalty of perjury that either:

(A) The mortgage servicer did not engage in an unlawful practice as described in subdivision (b).

(B) The mortgage servicer lists all instances when it committed an unlawful practice as described in subdivision (b).

(2) Simultaneously with the service of a recorded notice of default, sends both of the following documents to the borrower by United States certified mail with return receipt requested to the last known mailing address of the borrower:

(A) A notice providing that if the borrower believes the mortgage servicer engaged in an unlawful practice described in subdivision (b) or misrepresented its compliance history, the borrower may petition the court for relief before the foreclosure sale.

(B) A copy of the certification recorded pursuant to paragraph (1).

(d) Upon a borrower’s petition to the court for relief before the foreclosure sale, the court shall enjoin a proposed foreclosure sale pursuant to a power of sale in a subordinate mortgage until a final determination on the petition has been made.

(e) It shall be an affirmative defense in a judicial foreclosure proceeding if the court finds the mortgage servicer engaged in any of the unlawful practices specified in subdivision (b).

(f) The court may provide equitable remedies that the court deems appropriate, depending on the extent and severity of the mortgage servicer's violations. The equitable remedies may include, but are not limited to, striking all or a portion of the arrears claim, barring foreclosure, or permitting foreclosure subject to future compliance and corrected arrearage claim.

(g) A borrower may also petition the court to set a nonjudicial foreclosure sale aside when a certification required by subdivision (c) was never recorded or when a certification recorded pursuant to subdivision (c) indicates that the mortgage servicer engaged in an unlawful practice described in subdivision (b) or misrepresented its compliance history.

(h) Any failure to comply with the provisions of this section shall not affect the validity of a trustee's sale or a sale in favor of a bona fide purchaser.

SEC. 3. Section 5850 of the Civil Code is amended to read:

5850. (a) If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. Monetary penalties shall be reasonable.

(b) Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040.

(c) A monetary penalty for a violation of the governing documents shall not exceed the lesser of the following:

(1) The monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.

(2) One hundred dollars ($100) per violation.

(d) (1) Notwithstanding subdivision (c), the board may impose a penalty stated in the schedule of monetary penalties or

supplement that is in effect at the time of the violation that is greater than one hundred dollars ($100) per violation, if the violation may result in an adverse health or safety impact on the common area or another association member's property.

(2) Before imposing a penalty on a violation pursuant to this subdivision, the board shall make a written finding specifying the adverse health or safety impact in a board meeting open to the members.

(e) A late charge or interest shall not be charged to a member for a monetary penalty.

(f) An association shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.

SEC. 4. Section 5855 of the Civil Code is amended to read:

5855. (a) When the board is to meet to consider or impose discipline upon a member, or to impose a monetary charge as a means of reimbursing the association for costs incurred by the association in the repair of damage to the common area and facilities caused by a member or the member's guest or tenant, the board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting.

(b) The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting. The board shall meet in executive session if requested by the member.

(c) A member shall have the opportunity to cure the violation prior to the meeting. The board shall not impose discipline in either of the following circumstances:

(1) The member cures the violation prior to the meeting.

(2) If curing the violation would take longer than the time between the notice provided pursuant to subdivision (a) and the meeting, the member provides financial commitment to cure the violation.

(d) If the board and the member are not in agreement after the meeting, a member shall have the opportunity to request internal dispute resolution pursuant to Section 5910.

(e) If the board and the member are in agreement after the meeting, the board shall draft a written resolution. The written resolution, signed by the board and the member of the dispute pursuant to procedures not in conflict with the law or governing documents, binds the association and is judicially enforceable.

(f) If the board imposes discipline on a member or imposes a monetary charge on the member for damage to the common area and facilities, the board shall provide the member with a written notification of the decision, by either personal delivery or individual delivery pursuant to Section 4040, within 14 days following the action.

(g) A disciplinary action or the imposition of a monetary charge for damage to the common area shall not be effective against a member unless the board fulfills the requirements of this section.

SEC. 5. Section 8590.15.5 is added to the Government Code, to read:

8590.15.5. Upon appropriation by the Legislature, pursuant to this article, CRMP shall fund the seismic retrofitting of affordable multifamily housing.

(a) Funding provided under this section shall be limited to affordable multifamily housing and consistent with this article.

(b) CRMP shall prioritize affordable multifamily housing serving lower income households.

(c) For purposes of this section, the following definitions apply:

(1) “Lower income households” has the same meaning as the term is defined in Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households.

(2) “Moderate-income households” has the same meaning as the term is defined in Section 50053 of the Health and Safety Code.

SEC. 6. Section 12531 of the Government Code is amended to read:

12531. (a) The Legislature finds and declares that California, represented by the California Attorney General, entered a national multistate settlement with the country’s five largest loan servicers. This agreement, the National Mortgage Settlement stemmed from

successful resolution of federal court action (Consent Judgment, United States v. Bank of America (No. 1:12-cv-00361, Banzr. D.C. Apr. 4, 2012)). The National Mortgage Settlement is broad ranging, with California's share of this settlement estimated to be up to eighteen billion dollars ($18,000,000,000). Of this amount, approximately four hundred ten million dollars ($410,000,000) will come directly to the state in costs, fees, and penalty payments.

(b) There is hereby created in the State Treasury the National Mortgage Special Deposit Fund. Notwithstanding Section 13340, all moneys in the fund are hereby continuously appropriated, and shall be allocated by the Department of Finance.

(c) Direct payments made to the State of California as civil penalties pursuant to the National Mortgage Settlement shall be deposited in the Unfair Competition Law Fund as required by the settlement.

(d) Direct payments made to the State of California pursuant to the National Mortgage Settlement, except for those payments made pursuant to subdivision (c), shall be deposited in the National Mortgage Special Deposit Fund.

(e) (1) The funds in the National Mortgage Special Deposit Fund shall be allocated as follows:

(A) Three hundred million dollars ($300,000,000) to be administered by the California Housing Finance Agency for all of the following purposes:

(i) Providing housing counseling services that are certified by the federal Department of Housing and Urban Development to homeowners, former homeowners, or renters.

(ii) Providing legal services for home ownership preservation, including, but not limited to, foreclosure prevention.

(iii) (I) Providing mortgage assistance to qualified California households.

(II) Mortgage assistance to borrowers who own residential properties with four or fewer units who face foreclosure are eligible under this clause.

(B) Thirty-one million dollars ($31,000,000) to the Judicial Council for distribution through the State Bar to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including preeviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and

representation, and legal services to improve habitability, increase affordable housing, ensure receipt of eligible income or benefits to improve housing stability, and prevent homelessness. These funds shall be allocated as follows:

(i) Seventy-five percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense assistance in landlord-tenant disputes as set forth in this subparagraph.

(I) To receive funds, a program shall be eligible for 2020 Interest on Lawyer Trust Fund Account (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2020 IOLTA allocation divided by the total 2020 IOLTA allocation for all legal services projects eligible for the funding.

(II) To ensure meaningful funding, a minimum amount of fifty thousand dollars ($50,000) shall be allocated to an eligible program unless the program requests a lesser amount, in which case any funds that would have otherwise been allocated to the program shall be distributed proportionally to the other qualified legal services projects.

(III) These funds shall be distributed as soon as practicable and shall not supplant existing resources.

(ii) Twenty-five percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers.

(I) The grant process shall ensure that a qualified legal service project or support center to receive funding demonstrate that funds received will be not used to supplant existing resources and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center.

(II) The commission shall determine grant awards, and preference shall be given to qualified legal aid agencies that serve rural or underserved communities that serve clients regardless of immigration or citizenship status.

(III) Any funds not allocated pursuant to this competitive grant process shall be distributed pursuant to clause (i).

(2) No more than 5 percent of the allocations in subparagraphs (A) and (B) of paragraph (1) shall be spent for the administration of those services.

(f) Notwithstanding any other law, the Controller may use the funds in the National Mortgage Special Deposit Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381.

SEC. 7. Section 54221 of the Government Code is amended to read:

54221. As used in this article, the following definitions shall apply:

(a) (1) "Local agency" means every city, whether organized under general law or by charter, county, city and county, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.

(2) The Legislature finds and declares that the term "district" as used in this article includes all districts within the state, including, but not limited to, all special districts, sewer, water, utility, and local and regional park districts, and any other political subdivision of this state that is a district, and therefore the changes in paragraph (1) made by the act adding this paragraph that specify that the provisions of this article apply to all districts, including school, sewer, water, utility, and local and regional park districts of any kind or class, are declaratory of, and not a change in, existing law.

(b) (1) "Surplus land" means land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use. Land shall be declared either "surplus land" or "exempt surplus land," as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures. A local agency, on an annual basis, may declare multiple parcels as "surplus land" or "exempt surplus land."

(2) "Surplus land" includes land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code and land that has been designated in the long-range property management plan approved by the Department of Finance pursuant to Section 34191.5 of the Health and Safety Code, either for sale or for future development, but

does not include any specific disposal of land to an identified entity described in the plan.

(3) Nothing in this article prevents a local agency from obtaining fair market value for the disposition of surplus land consistent with Section 54226.

(4) Notwithstanding paragraph (1), a local agency is not required to make a declaration at a public meeting for land that is "exempt surplus land" pursuant to subparagraph (A), (B), (E), (K), (L), or (Q) of paragraph (1) of subdivision (f) if the local agency identifies the land in a notice that is published and available for public comment, including notice to the entities identified in subdivision (a) of Section 54222, at least 30 days before the exemption takes effect.

(c) (1) Except as provided in paragraph (2), "agency's use" shall include, but not be limited to, land that is being used, or is planned to be used pursuant to a written plan adopted by the local agency's governing board, for agency work or operations, including, but not limited to, utility sites, property owned by a port that is used to support logistics uses, watershed property, land being used for conservation purposes, land for demonstration, exhibition, or educational purposes related to greenhouse gas emissions, sites for broadband equipment or wireless facilities, and buffer sites near sensitive governmental uses, including, but not limited to, waste disposal sites, and wastewater treatment plants. "Agency's use" by a local agency that is a district shall also include land disposed for uses described in subparagraph (B) of paragraph (2).

(2) (A) "Agency's use" shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development. Property disposed of for the sole purpose of investment or generation of revenue shall not be considered necessary for the agency's use.

(B) In the case of a local agency that is a district, excepting those whose primary mission or purpose is to supply the public with a transportation system, "agency's use" may include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development or be for the sole purpose of investment or generation of revenue if the agency's governing body takes action in a public meeting declaring that the use of the site will do one of the following:

(i) Directly further the express purpose of agency work or operations.

(ii) Be expressly authorized by a statute governing the local agency, provided the district complies with Section 54233.5 if applicable.

(d) (1) "Dispose" means either of the following:

(A) The sale of the surplus land.

(B) The entering of a lease for surplus land, which is for a term longer than 15 years, inclusive of any extension or renewal options included in the terms of the initial lease, entered into on or after January 1, 2024.

(2) "Dispose" shall not mean either of the following:

(A) The entering of a lease for surplus land, which is for a term of 15 years or less, inclusive of any extension or renewal options included in the terms of the initial lease.

(B) The entering of a lease for surplus land on which no development or demolition will occur, regardless of the term of the lease.

(e) "Open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(f) (1) Except as provided in paragraph (2), "exempt surplus land" means any of the following:

(A) Surplus land that is transferred pursuant to Section 25539.4 or 37364.

(B) Surplus land that is less than one-half acre in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes.

(C) Surplus land that a local agency is exchanging for another property necessary for the agency's use. "Property" may include easements necessary for the agency's use.

(D) Surplus land that a local agency is transferring to another local, state, or federal agency, or to a third-party intermediary for future dedication for the receiving agency's use, or to a federally recognized California Indian tribe. If the surplus land is transferred to a third-party intermediary, the receiving agency's use must be contained in a legally binding agreement at the time of transfer to the third-party intermediary.

(E) Surplus land that is a former street, right-of-way, or easement, and is conveyed to an owner of an adjacent property.

(F) (i) Surplus land that is to be developed for a housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located.

(ii) The requirements of clause (i) shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(G) (i) Surplus land that is subject to a local agency's open, competitive solicitation or that is put to open, competitive bid by a local agency, provided that all entities identified in subdivision (a) of Section 54222 will be invited to participate in the process, for a housing or a mixed-use development that is more than one acre and less than 10 acres in area, consisting of either a single parcel, or two or more adjacent or non-adjacent parcels combined, that includes not less than 300 residential units, and that restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(ii) The requirements of clause (i) shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(H) (i) Surplus land totaling 10 or more acres, consisting of either a single parcel, or two or more adjacent or non-adjacent parcels combined for disposition to one or more buyers pursuant to a plan or ordinance adopted by the legislative body of the local agency, or a state statute. That surplus land shall be subject to a local agency's open, competitive solicitation process or put out to open, competitive bid by a local agency, provided that all entities identified in subdivision (a) of Section 54222 will be invited to participate in the process for a housing or mixed-use development.

(ii) The aggregate development shall include the greater of the following:

(I) Not less than 300 residential units.

(II) A number of residential units equal to 10 times the number of acres of the surplus land or 10,000 residential units, whichever is less.

(iii) At least 25 percent of the residential units shall be restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent pursuant to Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(iv) If nonresidential development is included in the development pursuant to this subparagraph, at least 25 percent of the total planned units affordable to lower income households shall be made available for lease or sale and permitted for use and occupancy before or at the same time with every 25 percent of nonresidential development made available for lease or sale and permitted for use and occupancy.

(v) A violation of this subparagraph is subject to the penalties described in Section 54230.5. Those penalties are in addition to any remedy a court may order for violation of this subparagraph. A local agency shall only dispose of land pursuant to this

subparagraph through a disposition and development agreement that includes an indemnification clause that provides that if an action occurs after disposition violates this subparagraph, the person or entity that acquired the property shall be liable for the penalties.

(vi) The requirements of clauses (i) to (v), inclusive, shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(I) A mixed-use development, which may include more than one publicly owned parcel, that meets all of the following conditions:

(i) The development restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(ii) At least 50 percent of the square footage of the new construction associated with the development is designated for residential use.

(iii) The development is not located in an urbanized area, as defined in Section 21094.5 of the Public Resources Code.

(J) (i) Surplus land that is subject to a valid legal restriction that is not imposed by the local agency and that makes housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site. A declaration of exemption pursuant to this subparagraph shall be supported by documentary evidence establishing the valid legal restriction. For the purposes of this section, “documentary evidence” includes, but is not limited to, a contract, agreement, deed restriction, statute, regulation, or other writing that documents the valid legal restriction.

(ii) Valid legal restrictions include, but are not limited to, all of the following:

(I) Existing constraints under ownership rights or contractual rights or obligations that prevent the use of the property for housing, if the rights or obligations were agreed to prior to September 30, 2019.

(II) Conservation or other easements or encumbrances that prevent housing development.

(III) Existing leases, or other contractual obligations or restrictions, if the terms were agreed to prior to September 30, 2019.

(IV) Restrictions imposed by the source of funding that a local agency used to purchase a property, provided that both of the following requirements are met:

(ia) The restrictions limit the use of those funds to purposes other than housing.

(ib) The proposed disposal of surplus land meets a use consistent with that purpose.

(iii) Valid legal restrictions that would make housing prohibited do not include either of the following:

(I) An existing nonresidential land use designation on the surplus land.

(II) Covenants, restrictions, or other conditions on the property rendered void and unenforceable by any other law, including, but not limited to, Section 714.6 of the Civil Code.

(iv) Feasible methods to mitigate or avoid a valid legal restriction on the site do not include a requirement that the local agency acquire additional property rights or property interests belonging to third parties.

(K) Surplus land that was granted by the state in trust to a local agency or that was acquired by the local agency for trust purposes by purchase or exchange, and for which disposal of the land is authorized or required subject to conditions established by statute.

(L) Land that is subject to either of the following, unless compliance with this article is expressly required:

(i) Section 17515, 81192, 81397, 81399, 81420, or 81422 of the Education Code.

(ii) Part 14 (commencing with Section 53570) of Division 31 of the Health and Safety Code.

(M) Surplus land that is a former military base that was conveyed by the federal government to a local agency, and is subject to Article 8 (commencing with Section 33492.125) of

Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, provided that all of the following conditions are met:

(i) The former military base has an aggregate area greater than five acres, is expected to include a mix of residential and nonresidential uses, and is expected to include no fewer than 1,400 residential units upon completion of development or redevelopment of the former military base.

(ii) The affordability requirements for residential units shall be governed by a settlement agreement entered into prior to September 1, 2020. Furthermore, at least 25 percent of the initial 1,400 residential units developed shall be restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(iii) Before disposition of the surplus land, the agency adopts written findings that the land is exempt surplus land pursuant to this subparagraph.

(iv) Before disposition of the surplus land, the recipient has negotiated a project labor agreement consistent with the local agency's project stabilization agreement resolution, as adopted on February 2, 2021, and any succeeding ordinance, resolution, or policy, regardless of the length of the agreement between the local agency and the recipient.

(v) The agency includes in the annual report required by paragraph (2) of subdivision (a) of Section 65400 the status of development of residential units on the former military base, including the total number of residential units that have been permitted and what percentage of those residential units are restricted for persons and families of low or moderate income, or lower income households, as defined in Section 50079.5 of the Health and Safety Code.

A violation of this subparagraph is subject to the penalties described in Section 54230.5. Those penalties are in addition to any remedy a court may order for violation of this subparagraph or the settlement agreement.

(N) Real property that is used by a district for an agency's use expressly authorized in subdivision (c).

(O) Land that has been transferred before June 30, 2019, by the state to a local agency pursuant to Section 32667 of the Streets and Highways Code and has a minimum planned residential density of at least 100 dwelling units per acre, and includes 100 or more residential units that are restricted to persons and families of low or moderate income, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability. For purposes of this subparagraph, not more than 20 percent of the affordable units may be restricted to persons and families of moderate income and at least 80 percent of the affordable units must be restricted to lower income households as defined in Section 50079.5 of the Health and Safety Code.

(P) (i) Land that meets the following conditions:

(I) Land that is subject to a sectional planning area document that meets both of the following:

(ia) The sectional planning area was adopted prior to January 1, 2019.

(ib) The sectional planning area document is consistent with county and city general plans applicable to the land.

(II) The land identified in the adopted sectional planning area document was dedicated prior to January 1, 2019.

(III) On January 1, 2019, the parcels on the land met at least one of the following conditions:

(ia) The land was subject to an irrevocable offer of dedication of fee interest requiring the land to be used for a specified purpose.

(ib) The land was acquired through a land exchange subject to a land offer agreement that grants the land's original owner the right to repurchase the land acquired by the local agency pursuant to the agreement if the land will not be developed in a manner consistent with the agreement.

(ic) The land was subject to a grant deed specifying that the property shall be used for educational uses and limiting other types of uses allowed on the property.

(IV) At least 25 percent of the units are dedicated to lower income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable rent, as defined by Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, and subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(V) The land is developed at an average density of at least 10 units per acre, calculated with respect to the entire sectional planning area.

(VI) No more than 25 percent of the nonresidential square footage identified in the sectional planning area document receives its first certificate of occupancy before at least 25 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(VII) No more than 50 percent of the nonresidential square footage identified in the sectional planning area document receives its first certificate of occupancy before at least 50 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(VIII) No more than 75 percent of the nonresidential square footage identified in the sectional planning area document shall receive its first certificate of occupancy before at least 75 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(ii) The local agency includes in the annual report required by paragraph (2) of subdivision (a) of Section 65400 the status of development, including the total square footage of the residential and nonresidential development, the number of residential units that have been permitted, and what percentage of those residential units are restricted for persons and families of low or moderate income, or lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(iii) The Department of Housing and Community Development may request additional information from the agency regarding land disposed of pursuant to this subparagraph.

(iv) At least 30 days prior to disposing of land declared "exempt surplus land," a local agency shall provide the Department of

Housing and Community Development a written notification of its declaration and findings in a form prescribed by the Department of Housing and Community Development. Within 30 days of receipt of the written notification and findings, the department shall notify the local agency if the department has determined that the local agency is in violation of this article. A local agency that fails to submit the written notification and findings shall be liable for a civil penalty pursuant to this subparagraph. A local agency shall not be liable for the civil penalty if the Department of Housing and Community Development does not notify the agency that the agency is in violation of this article within 30 days of receiving the written notification and findings. Once the department determines that the declarations and findings comply with subclauses (I) to (IV), inclusive, of clause (i), the local agency may proceed with disposal of land pursuant to this subparagraph. This clause is declaratory of, and not a change in, existing law.

(v) If the local agency disposes of land in violation of this subparagraph, the local agency shall be liable for a civil penalty calculated as follows:

(I) For a first violation, 30 percent of the greater of the final sale price or the fair market value of the land at the time of disposition.

(II) For a second or subsequent violation, 50 percent of the greater of the final sale price or the fair market value of the land at the time of disposition.

(III) For purposes of this subparagraph, fair market value shall be determined by an independent appraisal of the land.

(IV) An action to enforce this subparagraph may be brought by any of the following:

(ia) An entity identified in subdivisions (a) to (e), inclusive, of Section 54222.

(ib) A person who would have been eligible to apply for residency in affordable housing had the agency not violated this section.

(ic) A housing organization, as that term is defined in Section 65589.5.

(id) A beneficially interested person or entity.

(ie) The Department of Housing and Community Development.

(V) A penalty assessed pursuant to this subparagraph shall, except as otherwise provided, be deposited into a local housing

trust fund. The local agency may elect to instead deposit the penalty moneys into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund. Penalties shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the penalty moneys deposited into the local housing trust fund within five years of deposit for the sole purpose of financing newly constructed housing units that are affordable to extremely low, very low, or low-income households.

(VI) Five years after deposit of the penalty moneys into the local housing trust fund, if the funds have not been expended, the funds shall revert to the state and be deposited in the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund for the sole purpose of financing newly constructed housing units located in the same jurisdiction as the surplus land and that are affordable to extremely low, very low, or low-income households. Expenditure of any penalty moneys deposited into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund pursuant to this subdivision shall be subject to appropriation by the Legislature.

(vi) For purposes of this subparagraph, the following definitions apply:

(I) "Sectional planning area" means an area composed of identifiable planning units, within which common services and facilities, a strong internal unity, and an integrated pattern of land use, circulation, and townscape planning are readily achievable.

(II) "Sectional planning area document" means a document or plan that sets forth, at minimum, a site utilization plan of the sectional planning area and development standards for each land use area and designation.

(vii) This subparagraph shall become inoperative on January 1, 2034.

(Q) Land that is owned by a California public-use airport on which residential uses are prohibited pursuant to Federal Aviation Administration Order 5190.6B, Airport Compliance Program, Chapter 20 -- Compatible Land Use and Airspace Protection.

(R) Land that is transferred to a community land trust, and all of the following conditions are met:

(i) The property is being or will be developed or rehabilitated as any of the following:

(I) An owner-occupied single-family dwelling.

(II) An owner-occupied unit in a multifamily dwelling.

(III) A member-occupied unit in a limited equity housing cooperative.

(IV) A rental housing development.

(ii) Improvements on the property are or will be available for use and ownership or for rent by qualified persons, as defined in paragraph (6) of subdivision (c) of Section 214.18 of the Revenue and Taxation Code.

(iii) (I) A deed restriction or other instrument, requiring a contract or contracts serving as an enforceable restriction on the sale or resale value of owner-occupied units or on the affordability of rental units is recorded on or before the lien date following the acquisition of the property by the community land trust.

(II) For the purpose of this clause, the following definitions apply:

(ia) "A contract or contracts serving as an enforceable restriction on the sale or resale value of owner-occupied units" means a contract described in paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.

(ib) "A contract or contracts serving as an enforceable restriction on the affordability of rental units" means an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document described in subparagraph (A) of paragraph (2) of subdivision (g) of Section 214 of the Revenue and Taxation Code.

(iv) A copy of the deed restriction or other instrument shall be provided to the assessor.

(S) (i) For local agencies whose primary mission or purpose is to supply the public with a transportation system, surplus land that is developed for commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development or for the sole purpose of investment or generation of revenue, if the agency meets all of the following conditions:

(I) The agency has an adopted land use plan or policy that designates at least 50 percent of the gross acreage covered by the

adopted land use plan or policy for residential purposes. The adopted land use plan or policy shall also require the development of at least 300 residential units, or at least 10 residential units per gross acre, averaged across all land covered by the land use plan or policy, whichever is greater.

(II) The agency has an adopted land use plan or policy that requires at least 25 percent of all residential units to be developed on the parcels covered by the adopted land use plan or policy made available to lower income households, as defined in Section 50079 of the Health and Safety Code, at an affordable sales price or rented at an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing and 45 years for ownership housing, unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability. These terms shall be included in the land use plan or policy and dictate that they will be contained in a covenant or restriction recorded against the surplus land at the time of disposition that shall run with the land and be enforceable against any owner or lessee who violates the covenant or restriction and each successor in interest who continues the violation.

(III) Land disposed of for residential purposes shall issue a competitive request for proposals subject to the local agency's open, competitive solicitation process or put out to open, competitive bid by the local agency, provided that all entities identified in subdivision (a) of Section 54222 are invited to participate.

(IV) Prior to entering into an agreement to dispose of a parcel for nonresidential development on land designated for the purposes authorized pursuant to this subparagraph in an agency's adopted land use plan or policy, the agency, since January 1, 2020, must have entered into an agreement to dispose of a minimum of 25 percent of the land designated for affordable housing pursuant to subclause (II).

(ii) The agency may exempt at one time all parcels covered by the adopted land use plan or policy pursuant to this subparagraph.

(2) Notwithstanding paragraph (1), a written notice of the availability of surplus land for open-space purposes shall be sent to the entities described in subdivision (b) of Section 54222 before disposing of the surplus land, provided the land does not meet the

criteria in subparagraph (H) of paragraph (1), if the land is any of the following:

(A) Within a coastal zone.

(B) Adjacent to a historical unit of the State Parks System.

(C) Listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(D) Within the Lake Tahoe region as defined in Section 66905.5.

(g) "Persons and families of low or moderate income" has the same meaning as provided in Section 50093 of the Health and Safety Code.

SEC. 8. Section 65400 of the Government Code is amended to read:

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) (i) (I) The progress in meeting its share of regional housing needs determined pursuant to Section 65584, including the need for extremely low income households, as determined pursuant to Section 65583, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

(II) The annual report shall include the progress in meeting the city's or county's progress in meeting its share of regional housing need, as described in subclause (I), for the sixth and previous revisions of the housing element.

(ii) The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. The report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

(iii) The report may include the number of units that have been completed pursuant to subdivision (c) of Section 65583.1. For purposes of this paragraph, committed assistance may be executed throughout the planning period, and the program under paragraph (1) of subdivision (c) of Section 65583.1 shall not be required. The report shall document how the units meet the standards set forth in that subdivision.

(iv) The planning agency shall include the number of units in a student housing development for lower income students for which the developer of the student housing development was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915.

(C) The number of housing development applications received in the prior year, including whether each housing development application is subject to a ministerial or discretionary approval process.

(D) The number of units included in all development applications in the prior year.

(E) (i) The number of units approved and disapproved in the prior year, which shall include all of the following subcategories:

(I) The number of units located within an opportunity area.

(II) For the seventh and each subsequent revision of the housing element, the number of units approved and disapproved for acutely low income households within each opportunity area.

(III) For the seventh and each subsequent revision of the housing element, the number of units approved and disapproved for extremely low income households within each opportunity area.

(IV) The number of units approved and disapproved for very low income households within each opportunity area.

(V) The number of units approved and disapproved for lower income households within each opportunity area.

(VI) The number of units approved and disapproved for moderate-income households within each opportunity area.

(VII) The number of units approved and disapproved for above moderate-income households within each opportunity area.

(ii) For purposes of this subparagraph, "opportunity area" means a highest, high, moderate, or low resource area pursuant to the most recent "CTCAC/HCD Opportunity Map" published by the California Tax Credit Allocation Committee and the Department of Housing and Community Development.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) (i) The number of units of housing demolished and new units of housing, including both rental housing and for-sale housing and any units that the County of Napa or the City of Napa may report pursuant to an agreement entered into pursuant to Section 65584.08, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall do the following:

(I) For each income category described in this subparagraph, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category.

(II) For each entitlement, building permit, or certificate of occupancy, include a unique site identifier that must include the

assessor's parcel number, but may also include street address, or other identifiers.

(ii) For the County of Napa and the City of Napa, the production report may report units identified in the agreement entered into pursuant to Section 65584.08.

(I) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (c) of Section 65913.4, the total number of building permits issued pursuant to subdivision (c) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (c) of Section 65913.4.

(J) If the city or county has received funding pursuant to the Local Government Planning Support Grants Program (Chapter 3.1 (commencing with Section 50515) of Part 2 of Division 31 of the Health and Safety Code), the information required pursuant to subdivision (a) of Section 50515.04 of the Health and Safety Code.

(K) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code, pursuant to Chapter 905 of the Statutes of 2004.

(L) The following information with respect to density bonuses granted in accordance with Section 65915:

(i) The number of density bonus applications received by the city or county.

(ii) The number of density bonus applications approved by the city or county.

(iii) Data from all projects approved to receive a density bonus from the city or county, including, but not limited to, the percentage of density bonus received, the percentage of affordable units in the project, the number of other incentives or concessions granted to the project, and any waiver or reduction of parking standards for the project.

(M) The following information with respect to each application submitted pursuant to Chapter 4.1 (commencing with Section 65912.100):

(i) The location of the project.

(ii) The status of the project, including whether it has been entitled, whether a building permit has been issued, and whether or not it has been completed.

(iii) The number of units in the project.

(iv) The number of units in the project that are rental housing.

(v) The number of units in the project that are for-sale housing.

(vi) The household income category of the units, as determined pursuant to subdivision (f) of Section 65584.

(N) A list of all historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the city or county in the past year, and the status of any housing development projects proposed for the new historic designations, including all of the following:

(i) Whether the housing development project has been entitled.

(ii) Whether a building permit has been issued for the housing development project.

(iii) The number of units in the housing development project.

(O) The following information with respect to housing development projects under Section 65913.16:

(i) The number of applications submitted under Section 65913.16.

(ii) The location and number of developments approved under Section 65913.16.

(iii) The total number of building permits issued pursuant to Section 65913.16.

(iv) The total number of units constructed under Section 65913.16 and the income category of those units.

(b) (1) (A) The department may request corrections to the housing element portion of an annual report submitted pursuant to paragraph (2) of subdivision (a) within 90 days of receipt. A planning agency shall make the requested corrections within 30 days after which the department may reject the report if the report is not in substantial compliance with the requirements of that paragraph.

(B) If the department rejects the housing element portion of an annual report as authorized by subparagraph (A), the department shall provide the reasons the report is inconsistent with paragraph (2) of subdivision (a) to the planning agency in writing.

(2) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

(c) The Department of Housing and Community Development shall post a report submitted pursuant to this section on its internet website within a reasonable time of receiving the report.

SEC. 9. Section 65584.01 of the Government Code is amended to read:

65584.01. For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(a) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the total regional population forecast for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall

be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population projected by the council of governments and the total population projected for the region by the Department of Finance is greater than 1.5 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If agreement is not reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(b) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The percentage of households that are overcrowded within the region and the percentage of households that are overcrowded throughout the nation. For purposes of this subparagraph, the term "overcrowded" means more than one resident per room in each room in a dwelling.

(D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.

(F) Other characteristics of the composition of the projected population.

(G) The relationship between jobs and housing, including any imbalance between jobs and housing.

(H) The percentage of households that are cost burdened within the region and the percentage of households that are cost burdened throughout the nation. For the purposes of this subparagraph, the term "cost burdened" means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.

(I) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the data request.

(J) The housing needs of individuals and families experiencing homelessness.

(i) The data utilized by the council of governments shall align with homelessness data best practices as determined by the department.

(ii) Sources of homelessness data may include the Homeless Data Integration System administered by the Interagency Council on Homelessness, the homeless point-in-time count, or other sources deemed appropriate by the department.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (I), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments. The methodology submitted by the department may make adjustments based on the region's total projected households, which includes existing households as well as projected households.

(c) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (b). The region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region

using the regional employment projections in the applicable regional transportation plan. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (a), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (b). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (b), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (b).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

(4) In regions in which the department is required to distribute the regional housing need pursuant to Section 65584.06, no city or county may file an objection to the regional housing need determination.

(d) Statutory changes enacted after the date the department issued a final determination pursuant to this section shall not be a basis for a revision of the final determination.

SEC. 10. Section 65584.04 of the Government Code is amended to read:

65584.04. (a) At least two years before a scheduled revision required by Section 65588, each council of governments, or

delegate subregion as applicable, shall develop, in consultation with the department, a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall further the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months before the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (e) that will allow the development of a methodology based upon the factors established in subdivision (e).

(2) With respect to the objective in paragraph (5) of subdivision (d) of Section 65584, the survey shall review and compile information that will allow the development of a methodology based upon the issues, strategies, and actions that are included, as available, in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing completed by any city or county or the department that covers communities within the area served by the council of governments, and in housing elements adopted pursuant to this article by cities and counties within the area served by the council of governments.

(3) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(4) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(5) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (e) before the public comment period provided for in subdivision (d).

(c) The council of governments shall electronically report the results of the survey of fair housing issues, strategies, and actions compiled pursuant to paragraph (2) of subdivision (b). The report

shall describe common themes and effective strategies employed by cities and counties within the area served by the council of governments, including common themes and effective strategies around avoiding the displacement of lower income households. The council of governments shall also identify significant barriers to affirmatively furthering fair housing at the regional level and may recommend strategies or actions to overcome those barriers. A council of governments or metropolitan planning organization, as appropriate, may use this information for any other purpose, including publication within a regional transportation plan adopted pursuant to Section 65080 or to inform the land use assumptions that are applied in the development of a regional transportation plan.

(d) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community as well as members of protected classes under Section 12955 and households with special housing needs under paragraph (7) of subdivision (a) of Section 65583. The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, how each of the factors listed in subdivision (e) is incorporated into the methodology, and how the proposed methodology furthers the objectives listed in subdivision (d) of Section 65584, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written or electronic request for the proposed methodology and published on the council of governments', or delegate subregion's, internet website. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall

consider including the following factors in developing the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

(E) Emergency evacuation route capacity, wildfire risk, sea level rise, and other impacts caused by climate change.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(6) The percentage of existing households at each of the income levels listed in subdivision (f) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of

Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

(12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

(13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

(f) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584. The methodology may include numerical weighting. This information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments', or delegate subregion's, internet website.

(g) The following criteria shall not be a justification for a determination or a reduction in a jurisdiction's share of the regional housing need:

(1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report submitted pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(3) Stable population numbers in a city or county from the previous regional housing needs cycle.

(h) Following the conclusion of the public comment period described in subdivision (d) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, and as a result of consultation with the department, each council of governments, or delegate subregion, as applicable, shall publish a draft allocation methodology on its internet website and submit the draft allocation methodology, along with the information required pursuant to subdivision (e), to the department.

(i) Within 60 days, the department shall review the draft allocation methodology and report its written findings to the council of governments, or delegate subregion, as applicable. In its written findings the department shall determine whether the methodology furthers the objectives listed in subdivision (d) of Section 65584. If the department determines that the methodology is not consistent with subdivision (d) of Section 65584, the council of governments, or delegate subregion, as applicable, shall take both of the following actions:

(1) Revise the methodology, in consultation with the department, to further the objectives listed in subdivision (d) of Section 65584 within 45 days.

(2) Receive department acceptance that the revised methodology furthers the objectives listed in subdivision (d) of Section 65584 and adopt a final regional, or subregional, housing need allocation methodology.

(j) If the department's findings are not available within the time limits set by subdivision (i), the council of governments, or delegate subregion, may act without them.

(k) After taking action pursuant to subdivision (i), the council of governments, or delegate subregion, shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to the department, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.

(*l*) The department may, within 45 days, review the adopted methodology and report its findings to the council of governments, or delegate subregion.

(m) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan.

To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) (A) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(B) For the seventh and subsequent revisions of the housing element, the allocation to each region required under subparagraph (A) shall also include an allocation of units for acutely low and extremely low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan and furthers the objectives listed in subdivision (d) of Section 65584.

(n) This section shall become operative on January 1, 2025.

SEC. 11. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) (1) The Legislature finds and declares all of the following:

(A) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(B) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(C) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(D) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing development projects, reduction

in density of housing projects, and excessive standards for housing development projects.

(2) In enacting the amendments made to this section by the act adding this paragraph, the Legislature further finds and declares the following:

(A) California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives.

(B) While the causes of this crisis are multiple and complex, the absence of meaningful and effective policy reforms to significantly enhance the approval and supply of housing affordable to Californians of all income levels is a key factor.

(C) The crisis has grown so acute in California that supply, demand, and affordability fundamentals are characterized in the negative: underserved demands, constrained supply, and protracted unaffordability.

(D) According to reports and data, California has accumulated an unmet housing backlog of nearly 2,000,000 units and must provide for at least 180,000 new units annually to keep pace with growth through 2025.

(E) California's overall home ownership rate is at its lowest level since the 1940s. The state ranks 49th out of the 50 states in home ownership rates as well as in the supply of housing per capita. Only one-half of California's households are able to afford the cost of housing in their local regions.

(F) Lack of supply and rising costs are compounding inequality and limiting advancement opportunities for many Californians.

(G) The majority of California renters, more than 3,000,000 households, pay more than 30 percent of their income toward rent and nearly one-third, more than 1,500,000 households, pay more than 50 percent of their income toward rent.

(H) When Californians have access to safe and affordable housing, they have more money for food and health care; they are less likely to become homeless and in need of government-subsidized services; their children do better in school;

and businesses have an easier time recruiting and retaining employees.

(I) An additional consequence of the state's cumulative housing shortage is a significant increase in greenhouse gas emissions caused by the displacement and redirection of populations to states with greater housing opportunities, particularly working- and middle-class households. California's cumulative housing shortfall therefore has not only national but international environmental consequences.

(J) California's housing picture has reached a crisis of historic proportions despite the fact that, for decades, the Legislature has enacted numerous statutes intended to significantly increase the approval, development, and affordability of housing for all income levels, including this section.

(K) The Legislature's intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects and emergency shelters. That intent has not been fulfilled.

(L) It is the policy of the state that this section be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing.

(3) It is the intent of the Legislature that the conditions that would have a specific, adverse impact upon the public health and safety, as described in paragraph (2) of subdivision (d) and paragraph (1) of subdivision (j), arise infrequently.

(4) It is the intent of the Legislature that the amendments removing provisions from subparagraphs (D) and (E) of paragraph (6) of subdivision (h) and adding those provisions to Sections 65589.5.1 and 65589.5.2 by Assembly Bill 1413 (2023), insofar as they are substantially the same as existing law, shall be considered restatements and continuations of existing law, and not new enactments.

(b) It is the policy of the state that a local government not reject or make infeasible housing development projects, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic,

social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) For a housing development project for very low, low-, or moderate-income households, or an emergency shelter, a local agency shall not disapprove the housing development project or emergency shelter, or condition approval in a manner that renders the housing development project or emergency shelter infeasible, including through the use of design review standards, unless it makes written findings, based upon a preponderance of the evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the housing development project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The housing development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. The following shall not constitute a specific, adverse impact upon the public health or safety:

(A) Inconsistency with the zoning ordinance or general plan land use designation.

(B) The eligibility to claim a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code.

(3) The denial of the housing development project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The housing development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) On the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction had adopted a revised housing element that was in substantial compliance with this article, and the housing development project or emergency shelter was inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan.

(A) This paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed on a site, including a candidate site for rezoning, that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element if the housing

development project is consistent with the density specified in the housing element, even though the housing development project was inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation on the date the application was deemed complete.

(B) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(6) On the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction did not have an adopted revised housing element that was in substantial compliance with this article and the housing development project is not a builder's remedy project.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the congestion management program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Except as provided in paragraphs (6) and (8) of this subdivision, and subdivision (o), nothing in this section shall be construed to prohibit a local agency from requiring the housing development project to comply with objective, quantifiable, written

development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development. Nothing in this section shall limit a project's eligibility for a density bonus, incentive, or concession, or waiver or reduction of development standards and parking ratios, pursuant to Section 65915.

(2) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the housing development project or emergency shelter.

(4) For purposes of this section, a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

(5) For purposes of this section, a change to the zoning ordinance or general plan land use designation subsequent to the date the application was deemed complete shall not constitute a valid basis to disapprove or condition approval of the housing development project or emergency shelter.

(6) Notwithstanding paragraphs (1) to (5), inclusive, all of the following apply to a housing development project that is a builder's remedy project:

(A) A local agency may only require the project to comply with the objective, quantifiable, written development standards, conditions, and policies that would have applied to the project had it been proposed on a site with a general plan designation and zoning classification that allow the density and unit type proposed by the applicant. If the local agency has no general plan designation or zoning classification that would have allowed the density and unit type proposed by the applicant, the development proponent may identify any objective, quantifiable, written development standards, conditions, and policies associated with a different general plan designation or zoning classification within that jurisdiction, that facilitate the project's density and unit type, and those shall apply.

(B) (i) Except as authorized by paragraphs (1) to (4), inclusive, of subdivision (d), a local agency shall not apply any individual or combination of objective, quantifiable, written development standards, conditions, and policies to the project that do any of the following:

(I) Render the project infeasible.

(II) Preclude a project that meets the requirements allowed to be imposed by subparagraph (A), as modified by any density bonus, incentive, or concession, or waiver or reduction of development standards and parking ratios, pursuant to Section 65915, from being constructed as proposed by the applicant.

(ii) The local agency shall bear the burden of proof of complying with clause (i).

(C) (i) A project applicant that qualifies for a density bonus pursuant to Section 65915 shall receive two incentives or concessions in addition to those granted pursuant to paragraph (2) of subdivision (d) of Section 65915.

(ii) For a project seeking density bonuses, incentives, concessions, or any other benefits pursuant to Section 65915, and notwithstanding paragraph (6) of subdivision (o) of Section 65915, for purposes of this paragraph, maximum allowable residential density or base density means the density permitted for a builder's remedy project pursuant to subparagraph (C) of paragraph (11) of subdivision (h).

(iii) A local agency shall grant any density bonus pursuant to Section 65915 based on the number of units proposed and

allowable pursuant to subparagraph (C) of paragraph (11) of subdivision (h).

(iv) A project that dedicates units to extremely low-income households pursuant to subclause (I) of clause (i) of subparagraph (C) of paragraph (3) of subdivision (h) shall be eligible for the same density bonus, incentives or concessions, and waivers or reductions of development standards as provided to a housing development project that dedicates three percentage points more units to very low income households pursuant to paragraph (2) of subdivision (f) of Section 65915.

(v) All units dedicated to extremely low-income, very low income, low-income, and moderate-income households pursuant to paragraph (11) of subdivision (h) shall be counted as affordable units in determining whether the applicant qualifies for a density bonus pursuant to Section 65915.

(D) (i) The project shall not be required to apply for, or receive approval of, a general plan amendment, specific plan amendment, rezoning, or other legislative approval.

(ii) The project shall not be required to apply for, or receive, any approval or permit not generally required of a project of the same type and density proposed by the applicant.

(iii) Any project that complies with this paragraph shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, redevelopment plan and implementing instruments, or other similar provision for all purposes, and shall not be considered or treated as a nonconforming lot, use, or structure for any purpose.

(E) A local agency shall not adopt or impose any requirement, process, practice, or procedure or undertake any course of conduct, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is a builder's remedy project.

(F) (i) A builder's remedy project shall be deemed to be in compliance with the residential density standards for the purposes of complying with subdivision (b) of Section 65912.123.

(ii) A builder's remedy project shall be deemed to be in compliance with the objective zoning standards, objective subdivision standards, and objective design review standards for the purposes of complying with paragraph (5) of subdivision (a) of Section 65913.4.

(G) (i) (I) If the local agency had a local affordable housing requirement, as defined in Section 65912.101, that on January 1, 2024, required a greater percentage of affordable units than required under subparagraph (A) of paragraph (11) of subdivision (h), or required an affordability level deeper than what is required under subparagraph (A) of paragraph (11) of subdivision (h), then, except as provided in subclauses (II) and (III), the local agency may require a housing development for mixed-income households to comply with an otherwise lawfully applicable local affordability percentage or affordability level. The local agency shall not require housing for mixed-income households to comply with any other aspect of the local affordable housing requirement.

(II) Notwithstanding subclause (I), the local affordable housing requirements shall not be applied to require housing for mixed-income households to dedicate more than 20 percent of the units to affordable units of any kind.

(III) Housing for mixed-income households that is required to dedicate 20 percent of the units to affordable units shall not be required to dedicate any of the affordable units at an income level deeper than lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(IV) A local agency may only require housing for mixed-income households to comply with the local percentage requirement or affordability level described in subclause (I) if it first makes written findings, supported by a preponderance of evidence, that compliance with the local percentage requirement or the affordability level, or both, would not render the housing development project infeasible. If a reasonable person could find compliance with either requirement, either alone or in combination, would render the project infeasible, the project shall not be required to comply with that requirement.

(ii) Affordable units in the development project shall have a comparable bedroom and bathroom count as the market rate units.

(iii) Each affordable unit dedicated pursuant to this subparagraph shall count toward satisfying a local affordable housing requirement. Each affordable unit dedicated pursuant to a local affordable housing requirement that meets the criteria established in this subparagraph shall count towards satisfying the requirements of this subparagraph. This is declaratory of existing law.

(7) (A) For a housing development project application that is deemed complete before January 1, 2025, the development proponent for the project may choose to be subject to the provisions of this section that were in place on the date the preliminary application was submitted, or, if the project meets the definition of a builder's remedy project, it may choose to be subject to any or all of the provisions of this section applicable as of January 1, 2025.

(B) Notwithstanding subdivision (c) of Section 65941.1, for a housing development project deemed complete before January 1, 2025, the development proponent may choose to revise their application so that the project is a builder's remedy project, without being required to resubmit a preliminary application, even if the revision results in the number of residential units or square footage of construction changing by 20 percent or more.

(8) A housing development project proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, that is consistent with the density specified in the most recently updated and adopted housing element, and that is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation on the date the application was deemed complete, shall be subject to the provisions of subparagraphs (A), (B), and (D) of paragraph (6) and paragraph (9).

(9) For purposes of this subdivision, "objective, quantifiable, written development standards, conditions, and policies" means criteria that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal, including, but not limited to, any standard, ordinance, or policy described in paragraph (4) of subdivision (o). Nothing herein shall affect the obligation of the housing development project to comply with the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code. In the event that applicable objective, quantifiable, written development standards, conditions, and policies are mutually inconsistent, a development shall be deemed consistent with the criteria that

permits the density and unit type closest to that of the proposed project.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses that meet any of the following conditions:

(i) At least two-thirds of the new or converted square footage is designated for residential use.

(ii) At least 50 percent of the new or converted square footage is designated for residential use and the project meets both of the following:

(I) The project includes at least 500 net new residential units.

(II) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(iii) At least 50 percent of the net new or converted square footage is designated for residential use and the project meets all of the following:

(I) The project includes at least 500 net new residential units.

(II) The project involves the demolition or conversion of at least 100,000 square feet of nonresidential use.

(III) The project demolishes at least 50 percent of the existing nonresidential uses on the site.

(IV) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(C) Transitional housing or supportive housing.

(D) Farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(3) (A) "Housing for very low, low-, or moderate-income households" means housing for lower income households, mixed-income households, or moderate-income households.

(B) "Housing for lower income households" means a housing development project in which 100 percent of the units, excluding managers' units, are dedicated to lower income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable cost, as defined by Section 50052.5 of the Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee. The units shall be subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units.

(C) (i) "Housing for mixed-income households" means any of the following:

(I) A housing development project in which at least 7 percent of the total units, as defined in subparagraph (A) of paragraph (8) of subdivision (o) of Section 65915, are dedicated to extremely low income households, as defined in Section 50106 of the Health and Safety Code.

(II) A housing development project in which at least 10 percent of the total units, as defined in subparagraph (A) of paragraph (8) of subdivision (o) of Section 65915, are dedicated to very low income households, as defined in Section 50105 of the Health and Safety Code.

(III) A housing development project in which at least 13 percent of the total units, as defined in subparagraph (A) of paragraph (8) of subdivision (o) of Section 65915, are dedicated to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(IV) A housing development project in which there are 10 or fewer total units, as defined in subparagraph (A) of paragraph (8) of subdivision (o) of Section 65915, that is on a site that is smaller than one acre, and that is proposed for development at a minimum density of 10 units per acre.

(ii) All units dedicated to extremely low income, very low income, and low-income households pursuant to clause (i) shall meet both of the following:

(I) The units shall have an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(II) The development proponent shall agree to, and the local agency shall ensure, the continued affordability of all affordable rental units included pursuant to this section for 55 years and all affordable ownership units included pursuant to this section for a period of 45 years.

(D) "Housing for moderate-income households" means a housing development project in which 100 percent of the units are sold or rented to moderate-income households, as defined in Section 50093 of the Health and Safety Code, at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or an affordable rent, as defined in Section 50053 of the Health and Safety Code. The units shall be subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code.

(5) Notwithstanding any other law, "deemed complete" means that the applicant has submitted a preliminary application pursuant to Section 65941.1 or, if the applicant has not submitted a preliminary application, has submitted a complete application pursuant to Section 65943. The local agency shall bear the burden of proof in establishing that the application is not complete.

(6) "Disapprove the housing development project" includes any instance in which a local agency does any of the following:

(A) Votes or takes final administrative action on a proposed housing development project application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building permit.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(C) Fails to meet the time limits specified in Section 65913.3.

(D) Fails to cease a course of conduct undertaken for an improper purpose, such as to harass or to cause unnecessary delay

or needless increases in the cost of the proposed housing development project, that effectively disapproves the proposed housing development without taking final administrative action if all of the following conditions are met:

(i) The project applicant provides written notice detailing the challenged conduct and why it constitutes disapproval to the local agency established under Section 65100.

(ii) Within five working days of receiving the applicant's written notice described in clause (i), the local agency shall post the notice on the local agency's internet website, provide a copy of the notice to any person who has made a written request for notices pursuant to subdivision (f) of Section 21167 of the Public Resources Code, and file the notice with the county clerk of each county in which the project will be located. The county clerk shall post the notice and make it available for public inspection in the manner set forth in subdivision (c) of Section 21152 of the Public Resources Code.

(iii) The local agency shall consider all objections, comments, evidence, and concerns about the project or the applicant's written notice and shall not make a determination until at least 60 days after the applicant has given written notice to the local agency pursuant to clause (i).

(iv) Within 90 days of receipt of the applicant's written notice described in clause (i), the local agency shall issue a written statement that it will immediately cease the challenged conduct or issue written findings that comply with both of the following requirements:

(I) The findings articulate an objective basis for why the challenged course of conduct is necessary.

(II) The findings provide clear instructions on what the applicant must submit or supplement so that the local agency can make a final determination regarding the next necessary approval or set the date and time of the next hearing.

(v) (I) If a local agency continues the challenged course of conduct described in the applicant's written notice and fails to issue the written findings described in clause (iv), the local agency shall bear the burden of establishing that its course of conduct does not constitute a disapproval of the housing development project under this subparagraph in an action taken by the applicant.

(II) If an applicant challenges a local agency's course of conduct as a disapproval under this subparagraph, the local agency's written

findings described in clause (iv) shall be incorporated into the administrative record and be deemed to be the final administrative action for purposes of adjudicating whether the local agency's course of conduct constitutes a disapproval of the housing development project under this subparagraph.

(vi) A local agency's action in furtherance of complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), including, but not limited to, imposing mitigating measures, shall not constitute project disapproval under this subparagraph.

(E) Fails to comply with Section 65905.5. For purposes of this subparagraph, a builder's remedy project shall be deemed to comply with the applicable, objective general plan and zoning standards in effect at the time an application is deemed complete.

(F) (i) Determines that an application for a housing development project is incomplete pursuant to subdivision (a) or (b) of Section 65943 and includes in the determination an item that is not required on the local agency's submittal requirement checklist. The local agency shall bear the burden of proof that the required item is listed on the submittal requirement checklist.

(ii) In a subsequent review of an application pursuant to Section 65943, requests the applicant provide new information that was not identified in the initial determination and upholds this determination in the final written determination on an appeal filed pursuant to subdivision (c) of Section 65943. The local agency shall bear the burden of proof that the required item was identified in the initial determination.

(iii) Determines that an application for a housing development project is incomplete pursuant to subdivision (a) or (b) of Section 65943, a reasonable person would conclude that the applicant has submitted all of the items required on the local agency's submittal requirement checklist, and the local agency upholds this determination in the final written determination on an appeal filed pursuant to subdivision (c) of Section 65943.

(iv) If a local agency determines that an application is incomplete under Section 65943 after two resubmittals of the application by the applicant, the local agency shall bear the burden of establishing that the determination is not an effective disapproval of a housing development project under this section.

(G) Violates subparagraph (D) or (E) of paragraph (6) of subdivision (f).

(H) Makes a written determination that a preliminary application described in subdivision (a) of Section 65941.1 has expired or that the applicant has otherwise lost its vested rights under the preliminary application for any reason other than those described in subdivisions (c) and (d) of Section 65941.1.

(I) (i) Fails to make a determination of whether the project is exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or commits an abuse of discretion, as defined in subdivision (b) of Section 65589.5.1 if all of the conditions in Section 65589.5.1 are satisfied.

(ii) This subparagraph shall become inoperative on January 1, 2031.

(J) (i) Fails to adopt a negative declaration or addendum for the project, to certify an environmental impact report for the project, or to approve another comparable environmental document, such as a sustainable communities environmental assessment pursuant to Section 21155.2 of the Public Resources Code, as required pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), if all of the conditions in Section 65589.5.2 are satisfied.

(ii) This subparagraph shall become inoperative on January 1, 2031.

(7) (A) For purposes of this section and Sections 65589.5.1 and 65589.5.2, "lawful determination" means any final decision about whether to approve or disapprove a statutory or categorical exemption or a negative declaration, addendum, environmental impact report, or comparable environmental review document under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that is not an abuse of discretion, as defined in subdivision (b) of Section 65589.5.1 or subdivision (b) of Section 65589.5.2.

(B) This paragraph shall become inoperative on January 1, 2031.

(8) "Lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

(9) "Objective" means involving no personal or subjective judgment by a public official and being uniformly verifiable by

reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.

(10) Notwithstanding any other law, "determined to be complete" means that the applicant has submitted a complete application pursuant to Section 65943.

(11) "Builder's remedy project" means a project that meets all of the following criteria:

(A) The project is a housing development project that provides housing for very low, low-, or moderate-income households.

(B) On or after the date an application for the housing development project or emergency shelter was deemed complete, the jurisdiction did not have a housing element that was in substantial compliance with this article.

(C) The project has a density such that the number of units, as calculated before the application of a density bonus pursuant to Section 65915, complies with all of the following conditions:

(i) The density does not exceed the greatest of the following densities:

(I) Fifty percent greater than the minimum density deemed appropriate to accommodate housing for that jurisdiction as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2.

(II) Three times the density allowed by the general plan, zoning ordinance, or state law, whichever is greater.

(III) The density that is consistent with the density specified in the housing element.

(ii) Notwithstanding clause (i), the greatest allowable density shall be 35 units per acre more than the amount allowable pursuant to clause (i), if any portion of the site is located within any of the following:

(I) One-half mile of a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

(II) A very low vehicle travel area, as defined in subdivision (h).

(III) A high or highest resource census tract, as identified by the latest edition of the "CTCAC/HCD Opportunity Map" published by the California Tax Credit Allocation Committee and the Department of Housing and Community Development.

(D) (i) On sites that have a minimum density requirement and are located within one-half mile of a commuter rail station or a heavy rail station, the density of the project shall not be less than the minimum density required on the site.

(I) For purposes of this subparagraph, "commuter rail" means a railway that is not a light rail, streetcar, trolley, or tramway and that is for urban passenger train service consisting of local short distance travel operating between a central city and adjacent suburb with service operated on a regular basis by or under contract with a transit operator for the purpose of transporting passengers within urbanized areas, or between urbanized areas and outlying areas, using either locomotive-hauled or self-propelled railroad passenger cars, with multitrip tickets and specific station-to-station fares.

(II) For purposes of this subparagraph, "heavy rail" means an electric railway with the capacity for a heavy volume of traffic using high speed and rapid acceleration passenger rail cars operating singly or in multicar trains on fixed rails, separate rights-of-way from which all other vehicular and foot traffic are excluded, and high platform loading.

(ii) On all other sites with a minimum density requirement, the density of the project shall not be less than the local agency's minimum density or one-half of the minimum density deemed appropriate to accommodate housing for that jurisdiction as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2, whichever is lower.

(E) The project site does not abut a site where more than one-third of the square footage on the site has been used, within the past three years, by a heavy industrial use, or a Title V industrial use, as those terms are defined in Section 65913.16.

(12) "Condition approval" includes imposing on the housing development project, or attempting to subject it to, development standards, conditions, or policies.

(13) "Unit type" means the form of ownership and the kind of residential unit, including, but not limited to, single-family detached, single-family attached, for-sale, rental, multifamily, townhouse, condominium, apartment, manufactured homes and mobilehomes, factory-built housing, and residential hotel.

(14) "Proposed by the applicant" means the plans and designs as submitted by the applicant, including, but not limited to, density,

unit size, unit type, site plan, building massing, floor area ratio, amenity areas, open space, parking, and ancillary commercial uses.

(i) If any city, county, or city and county denies approval or imposes conditions, including design changes, lower density, or a reduction of the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the housing development project's application is complete, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of conditions on the development is the subject of a court action which challenges the denial or the imposition of conditions, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d), and that the findings are supported by a preponderance of the evidence in the record, and with the requirements of subdivision (o).

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the application was deemed complete, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by a preponderance of the evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(2) (A) If the local agency considers a proposed housing development project to be inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision as specified in this subdivision, it shall provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity as follows:

(i) Within 30 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains 150 or fewer housing units.

(ii) Within 60 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains more than 150 units.

(B) If the local agency fails to provide the required documentation pursuant to subparagraph (A), the housing development project shall be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(3) For purposes of this section, the receipt of a density bonus, incentive, concession, waiver, or reduction of development standards pursuant to Section 65915 shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in conformity, with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision specified in this subdivision.

(4) For purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan. If the local agency has complied with paragraph (2), the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning which is consistent with the general plan, however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by the general plan and proposed by the proposed housing development project.

(k) (1) (A) (i) The applicant, a person who would be eligible to apply for residency in the housing development project or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that any of the following are met, the court shall issue an order pursuant to clause (ii):

(I) The local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section.

(II) The local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section.

(III) The local agency, in violation of subdivision (o), required or attempted to require a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a preliminary application was submitted.

(IV) The local agency violated a provision of this section applicable to a builder's remedy project.

(ii) If the court finds that one of the conditions in clause (i) is met, the court shall issue an order or judgment compelling compliance with this section within a time period not to exceed 60 days, including, but not limited to, an order that the local agency take action on the housing development project or emergency shelter. The court may issue an order or judgment directing the local agency to approve the housing development project or emergency shelter if the court finds that the local agency acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner, provided, however, that the court shall not award attorney's fees in either of the following instances:

(I) The court finds, under extraordinary circumstances, that awarding fees would not further the purposes of this section.

(II) (ia) In a case concerning a disapproval within the meaning of subparagraph (I) or (J) of paragraph (6) of subdivision (h), the court finds that the local agency acted in good faith and had reasonable cause to disapprove the housing development project due to the existence of a controlling question of law about the application of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or implementing guidelines as to which there was a substantial ground for difference of opinion at the time of the disapproval.

(ib) This subclause shall become inoperative on January 1, 2031.

(B) Upon a determination that the local agency has failed to comply with the order or judgment compelling compliance with this section within the time period prescribed by the court, the court shall impose fines on a local agency that has violated this section and require the local agency to deposit any fine levied pursuant to this subdivision into a local housing trust fund. The local agency may elect to instead deposit the fine into the Building Homes and Jobs Trust Fund. The fine shall be in a minimum amount of ten thousand dollars ($10,000) per housing unit in the housing development project on the date the application was deemed complete pursuant to Section 65943. In determining the amount of the fine to impose, the court shall consider the local agency's progress in attaining its target allocation of the regional housing need pursuant to Section 65584 and any prior violations of this section. Fines shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the money in the local housing trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. After five years, if the funds have not been expended, the money shall revert to the state and be deposited in the Building Homes and Jobs Trust Fund for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households.

(C) If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency and to approve the housing development project, in which case the application for the housing development project, as proposed by the applicant at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed to be approved unless the applicant consents to a different decision or action by the local agency.

(D) Nothing in this section shall limit the court's inherent authority to make any other orders to compel the immediate enforcement of any writ brought under this section, including the imposition of fees and other sanctions set forth under Section 1097 of the Code of Civil Procedure.

(2) For purposes of this subdivision, "housing organization" means a trade or industry group whose local members are primarily engaged in the construction or management of housing units or a nonprofit organization whose mission includes providing or advocating for increased access to housing for low-income households and have filed written or oral comments with the local agency prior to action on the housing development project. A housing organization may only file an action pursuant to this section to challenge the disapproval of a housing development by a local agency. A housing organization shall be entitled to reasonable attorney's fees and costs if it is the prevailing party in an action to enforce this section.

(*l*) If the court finds that the local agency (1) acted in bad faith when it violated this section and (2) failed to carry out the court's order or judgment within the time period prescribed by the court, the court, in addition to any other remedies provided by this section, shall multiply the fine determined pursuant to subparagraph (B) of paragraph (1) of subdivision (k) by a factor of five. If a court has previously found that the local agency violated this section within the same planning period, the court shall multiply the fines by an additional factor for each previous violation. For purposes of this section, "bad faith" includes, but is not limited to, an action

or inaction that is frivolous, pretextual, intended to cause unnecessary delay, or entirely without merit.

(m) (1) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency, unless the petitioner elects to prepare the record as provided in subdivision (n) of this section. A petition to enforce the provisions of this section shall be filed and served no later than 90 days from the later of (1) the effective date of a decision of the local agency imposing conditions on, disapproving, or any other final action on a housing development project or (2) the expiration of the time periods specified in subparagraph (B) of paragraph (5) of subdivision (h). Upon entry of the trial court's order, a party may, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow, or may appeal the judgment or order of the trial court under Section 904.1 of the Code of Civil Procedure. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(2) (A) A disapproval within the meaning of subparagraph (I) of paragraph (6) of subdivision (h) shall be final for purposes of this subdivision, if the local agency did not make a lawful determination within the time period set forth in paragraph (5) of subdivision (a) of Section 65589.5.1 after the applicant's timely written notice.

(B) This paragraph shall become inoperative on January 1, 2031.

(3) (A) A disapproval within the meaning of subparagraph (J) of paragraph (6) of subdivision (h) shall be final for purposes of this subdivision, if the local agency did not make a lawful determination within 90 days of the applicant's timely written notice.

(B) This paragraph shall become inoperative on January 1, 2031.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) (1) Subject to paragraphs (2), (6), and (7), and subdivision (d) of Section 65941.1, a housing development project shall be subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application including all of the information required by subdivision (a) of Section 65941.1 was submitted.

(2) Paragraph (1) shall not prohibit a housing development project from being subject to ordinances, policies, and standards adopted after the preliminary application was submitted pursuant to Section 65941.1 in the following circumstances:

(A) In the case of a fee, charge, or other monetary exaction, to an increase resulting from an automatic annual adjustment based on an independently published cost index that is referenced in the ordinance or resolution establishing the fee or other monetary exaction.

(B) A preponderance of the evidence in the record establishes that subjecting the housing development project to an ordinance, policy, or standard beyond those in effect when a preliminary application was submitted is necessary to mitigate or avoid a specific, adverse impact upon the public health or safety, as defined in subparagraph (A) of paragraph (1) of subdivision (j), and there is no feasible alternative method to satisfactorily mitigate or avoid the adverse impact.

(C) Subjecting the housing development project to an ordinance, policy, standard, or any other measure, beyond those in effect when a preliminary application was submitted is necessary to avoid or substantially lessen an impact of the project under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(D) The housing development project has not commenced construction within two and one-half years, or three and one-half years for an affordable housing project, following the date that the project received final approval. For purposes of this subparagraph:

(i) "Affordable housing project" means a housing development that satisfies both of the following requirements:

(I) Units within the development are subject to a recorded affordability restriction for at least 55 years for rental housing and 45 years for owner-occupied housing, or the first purchaser of each unit participates in an equity sharing agreement as described in subparagraph (C) of paragraph (2) of subdivision (c) of Section 65915.

(II) All of the units within the development, excluding managers' units, are dedicated to lower income households, as defined by Section 50079.5 of the Health and Safety Code.

(ii) "Final approval" means that the housing development project has received all necessary approvals to be eligible to apply for, and obtain, a building permit or permits and either of the following is met:

(I) The expiration of all applicable appeal periods, petition periods, reconsideration periods, or statute of limitations for challenging that final approval without an appeal, petition, request for reconsideration, or legal challenge having been filed.

(II) If a challenge is filed, that challenge is fully resolved or settled in favor of the housing development project.

(E) The housing development project is revised following submittal of a preliminary application pursuant to Section 65941.1 such that the number of residential units or square footage of construction changes by 20 percent or more, exclusive of any increase resulting from the receipt of a density bonus, incentive, concession, waiver, or similar provision, including any other locally authorized program that offers additional density or other development bonuses when affordable housing is provided. For purposes of this subdivision, "square footage of construction" means the building area, as defined by the California Building Standards Code (Title 24 of the California Code of Regulations).

(3) This subdivision does not prevent a local agency from subjecting the additional units or square footage of construction that result from project revisions occurring after a preliminary application is submitted pursuant to Section 65941.1 to the

ordinances, policies, and standards adopted and in effect when the preliminary application was submitted.

(4) For purposes of this subdivision, "ordinances, policies, and standards" includes general plan, community plan, specific plan, zoning, design review standards and criteria, subdivision standards and criteria, and any other rules, regulations, requirements, and policies of a local agency, as defined in Section 66000, including those relating to development impact fees, capacity or connection fees or charges, permit or processing fees, and other exactions.

(5) This subdivision shall not be construed in a manner that would lessen the restrictions imposed on a local agency, or lessen the protections afforded to a housing development project, that are established by any other law, including any other part of this section.

(6) This subdivision shall not restrict the authority of a public agency or local agency to require mitigation measures to lessen the impacts of a housing development project under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(7) With respect to completed residential units for which the project approval process is complete and a certificate of occupancy has been issued, nothing in this subdivision shall limit the application of later enacted ordinances, policies, and standards that regulate the use and occupancy of those residential units, such as ordinances relating to rental housing inspection, rent stabilization, restrictions on short-term renting, and business licensing requirements for owners of rental housing.

(p) (1) Upon any motion for an award of attorney's fees pursuant to Section 1021.5 of the Code of Civil Procedure, in a case challenging a local agency's approval of a housing development project, a court, in weighing whether a significant benefit has been conferred on the general public or a large class of persons and whether the necessity of private enforcement makes the award appropriate, shall give due weight to the degree to which the local agency's approval furthers policies of this section, including, but not limited to, subdivisions (a), (b), and (c), the suitability of the site for a housing development, and the reasonableness of the decision of the local agency. It is the intent of the Legislature that attorney's fees and costs shall rarely, if ever, be awarded if a local agency, acting in good faith, approved a

housing development project that satisfies conditions established in paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.1 or paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.2.

(2) This subdivision shall become inoperative on January 1, 2031.

(q) This section shall be known, and may be cited, as the Housing Accountability Act.

(r) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 12. Section 65905.5 of the Government Code is amended to read:

65905.5. (a) Notwithstanding any other law, if a proposed housing development project complies with the applicable, objective general plan and zoning standards in effect at the time an application is deemed complete, after the application is deemed complete, a city, county, or city and county shall not conduct more than five hearings pursuant to Section 65905, or any other law, ordinance, or regulation requiring a public hearing in connection with the approval of that housing development project. If the city, county, or city and county continues a hearing subject to this section to another date, the continued hearing shall count as one of the five hearings allowed under this section. The city, county, or city and county shall consider and either approve or disapprove the application at any of the five hearings allowed under this section consistent with the applicable timelines under the Permit Streamlining Act (Chapter 4.5 (commencing with Section 65920)).

(b) For purposes of this section:

(1) "Deemed complete" means that the application has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.

(2) "Hearing" includes any public hearing, workshop, or similar meeting, including any appeal, conducted by the city or county with respect to the housing development project, including any meeting relating to Section 65915, whether by the legislative body of the city or county, the planning agency established pursuant to Section 65100, or any other agency, department, board, commission, or any other designated hearing officer or body of

the city or county, or any committee or subcommittee thereof. "Hearing" does not include a hearing to review a legislative approval, including any appeal, required for a proposed housing development project, including, but not limited to, a general plan amendment, a specific plan adoption or amendment, or a zoning amendment, or any hearing arising from a timely appeal of the approval or disapproval of a legislative approval.

(3) (A) "Housing development project" has the same meaning as defined in paragraph (2) of subdivision (h) of Section 65589.5.

(B) "Housing development project" includes, but is not limited to, projects that involve no discretionary approvals and projects that involve both discretionary and nondiscretionary approvals.

(C) "Housing development project" includes a proposal to construct a single dwelling unit. This subparagraph shall not affect the interpretation of the scope of paragraph (2) of subdivision (h) of Section 65589.5.

(c) (1) For purposes of this section, a housing development project shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project is consistent, compliant, or in conformity. The receipt of a density bonus including any incentives, concessions, or waivers pursuant to Section 65915 shall not constitute a valid basis on which to find that a proposed housing development project is inconsistent, not in compliance, or not in conformity, with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(2) A proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria, but the zoning for the project site is inconsistent with the general plan. If the local agency complies with the written documentation requirements of paragraph (2) of subdivision (j) of Section 65589.5, the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning that is consistent with the general plan; however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by

the general plan and proposed by the proposed housing development project.

(d) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

(e) The amendments to subdivisions (b) and (c) made by the act adding this subdivision do not constitute a change in, but are declaratory of, existing law. However, the amendments to this section in subparagraph (B) of paragraph (3) of subdivision (b) shall not affect a project for which an application was submitted to the city, county, or city and county before January 1, 2022.

SEC. 13. Section 65913.10 of the Government Code is amended to read:

65913.10. (a) For purposes of any state or local law, ordinance, or regulation that requires the city or county to determine whether the site of a proposed housing development project is a historic site, the city or county shall make that determination at the time the application for the housing development project is deemed complete. A determination as to whether a parcel of property is a historic site shall remain valid during the pendency of the housing development project for which the application was made unless any archaeological, paleontological, or tribal cultural resources are encountered during any grading, site disturbance, or building alteration activities.

(b) For purposes of this section:

(1) "Deemed complete" means that the application has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.

(2) "Housing development project" has the same meaning as defined in paragraph (3) of subdivision (b) of Section 65905.5.

(c) (1) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) Nothing in this section supersedes, limits, or otherwise modifies the requirements of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

SEC. 14. Section 65913.16 of the Government Code is amended to read:

65913.16. (a) This section shall be known, and may be cited, as the Affordable Housing on Faith and Higher Education Lands Act of 2023.

(b) For purposes of this section:

(1) "Applicant" means a qualified developer who submits an application for streamlined approval pursuant to this section.

(2) "Development proponent" means a developer that submits a housing development project application to a local government under the streamlined, ministerial review process pursuant to this chapter.

(3) "Health care expenditures" include contributions pursuant to Section 501(c) or (d) or 401(a) of the Internal Revenue Code and payments toward "medical care" as defined in Section 213(d)(1) of the Internal Revenue Code.

(4) "Heavy industrial use" means a use that is a source, other than a Title V source, as defined by Section 39053.5 of the Health and Safety Code, that is subject to permitting by a district, as defined in Section 39025 of the Health and Safety Code, pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code or the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.). A use where the only source permitted by a district is an emergency backup generator, and the source is in compliance with permitted emissions and operating limits, is not a heavy industrial use.

(5) "Housing development project" has the same meaning as defined in Section 65589.5.

(6) "Independent institution of higher education" has the same meaning as defined in Section 66010 of the Education Code.

(7) "Light industrial use" means an industrial use that is not subject to permitting by a district, as defined in Section 39025 of the Health and Safety Code.

(8) "Local government" means a city, including a charter city, county, including a charter county, or city and county, including a charter city and county.

(9) "Qualified developer" means any of the following:

(A) A local public entity, as defined in Section 50079 of the Health and Safety Code.

(B) (i) A developer that is a nonprofit corporation, a limited partnership in which a managing general partner is a nonprofit corporation, or a limited liability company in which a managing member is a nonprofit corporation.

(ii) The developer, at the time of submission of an application for development pursuant to this section, owns property or manages housing units located on property that is exempt from taxation pursuant to the welfare exemption established in subdivision (a) of Section 214 of the Revenue and Taxation Code.

(C) A developer that contracts with a nonprofit corporation that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families with financing in the form of zero interest rate loans.

(D) A developer that the religious institution or independent institution of education, as defined in this section, has contracted with before to construct housing or other improvements to real property.

(10) "Religious institution" means an institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization composed of multidenominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110), or as a corporation sole pursuant to Part 6 (commencing with Section 10000), of Division 2 of Title 1 of the Corporations Code.

(11) "Title V industrial use" means a use that is a Title V source, as defined in Section 39053.5 of the Health and Safety Code.

(12) "Use by right" means a development project that satisfies both of the following conditions:

(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(B) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

(c) Notwithstanding any inconsistent provision of a local government's general plan, specific plan, zoning ordinance, or regulation, upon the request of an applicant, a housing development

project shall be a use by right, if all of the following criteria are satisfied:

(1) The development is located on land owned on or before January 1, 2024, by an independent institution of higher education or a religious institution, including ownership through an affiliated or associated nonprofit public benefit corporation organized pursuant to the Nonprofit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code).

(2) The development is located on a parcel that satisfies the requirements specified in subparagraphs (A) and (B) of paragraph (2) of subdivision (a) of Section 65913.4.

(3) The development is located on a parcel that satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(4) The development is located on a parcel that satisfies the requirements specified in paragraph (7) of subdivision (a) of Section 65913.4.

(5) (A) The development is not adjoined to any site where more than one-third of the square footage on the site is dedicated to light industrial use. For purposes of this subdivision, parcels separated by only a street or highway shall be considered to be adjoined.

(B) For purposes of subparagraph (A), a property is "dedicated to light industrial use" if all of the following requirements are met:

(i) The square footage is currently being put to a light industrial use.

(ii) The most recently permitted use of the square footage is a light industrial use.

(iii) The latest version of the local government's general plan, adopted before January 1, 2022, designates the property for light industrial use.

(6) The housing units on the development site are not located within 1,200 feet of a site that is either of the following:

(A) A site that is currently a heavy industrial use.

(B) A site where the most recent permitted use was a heavy industrial use.

(7) Except as provided in paragraph (8), the housing units on the development site are not located within 1,600 feet of a site that is either of the following:

(A) A site that is currently a Title V industrial use.

(B) A site where the most recent permitted use was a Title V industrial use.

(8) For a site where multifamily housing is not an existing permitted use, the housing units on the development site are not located within 3,200 feet of a facility that actively extracts or refines oil or natural gas.

(9) One hundred percent of the development project's total units, exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the total units in the development may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code, and 5 percent of the units may be for staff of the independent institution of higher education or religious institution that owns the land. Units in the development shall be offered at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or at affordable rent, as set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee. The rent or sales price for a moderate-income unit shall be affordable and shall not exceed 30 percent of income for a moderate-income household or homebuyer for a unit of similar size and bedroom count in the same ZIP Code in the city, county, or city and county in which the housing development is located. The applicant shall provide the city, county, or city and county with evidence to establish that the units meet the requirements of this paragraph. All units, exclusive of any manager unit or units, shall be subject to a recorded deed restriction as provided in this paragraph for at least the following periods of time:

(A) Fifty-five years for units that are rented unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires, as a condition of the development of residential units, that the development include a certain percentage of units that are affordable to, and occupied by, low-income, lower income, very low income, or extremely low income households for a term that exceeds 55 years for rental housing units.

(B) Forty-five years for units that are owner-occupied or the first purchaser of each unit participates in an equity sharing agreement as described in subparagraph (C) of paragraph (2) of subdivision (c) of Section 65915.

(10) The development project complies with all objective development standards of the city or county that are not in conflict with this section.

(11) If the housing development project requires the demolition of existing residential dwelling units, or is located on a site where residential dwelling units have been demolished within the last five years, the applicant shall comply with subdivision (d) of Section 66300.

(12) The applicant certifies to the local government that either of the following is true for the housing development project, as applicable:

(A) The entirety of the development project is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(B) A development that contains more than 10 units and is not in its entirety a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and approved by a local government pursuant to Article 2 (commencing with Section 65912.110) of, or Article 3 (commencing with Section 65912.120) of, Chapter 4.1 shall be subject to all of the following:

(i) All construction workers employed in the execution of the development shall be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs provided by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(ii) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work, and shall also provide notice of all contracts for the performance of the work to the Department of Industrial Relations, in accordance with Section 1773.35 of the Labor Code, for those portions of the development that are not a public work.

(iii) All contractors and subcontractors for those portions of the development that are not a public work shall comply with all of the following:

(I) Pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in the programs approved by the

Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(II) Maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in that section. This subclause does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subclause, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(III) Be registered in accordance with Section 1725.6 of the Labor Code.

(13) (A) The development proponent completes a Phase I environmental assessment, as defined in Section 78090 of the Health and Safety Code, and a Phase II environmental assessment, as defined in subdivision (o) of Section 25403 of the Health and Safety Code, if warranted.

(B) If a recognized environmental condition is found, the development proponent shall undertake a preliminary endangerment assessment, as defined in Section 78095 of the Health and Safety Code, prepared by an environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity.

(i) If a release of hazardous substance is found to exist on the site, the release shall be removed, or any significant effect of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.

(ii) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with current state and federal requirements.

(14) If the development is within 500 feet of a freeway, regularly occupied areas of the building shall provide air filtration media for outside and return air that provide a minimum efficiency reporting value (MERV) of 13.

(15) For a vacant site, the site does not contain tribal cultural resources, as defined in Section 21074 of the Public Resources Code, that could be affected by the development that were found pursuant to a consultation as described in Section 21080.3.1 of the Public Resources Code, and the effects of which cannot be mitigated pursuant to the process described in Section 21080.3.2 of the Public Resources Code.

(d) (1) The obligation of the contractors and subcontractors to pay prevailing wages pursuant to this section may be enforced by any of the following:

(A) The Labor Commissioner, through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, that may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development.

(B) An underpaid worker through an administrative complaint or civil action.

(C) A joint labor-management committee through a civil action pursuant to Section 1771.2 of the Labor Code.

(2) If a civil wage and penalty assessment is issued pursuant to this section, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(3) This subdivision does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subdivision, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(e) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply to those portions of a development that are not a public work if otherwise provided in a bona fide collective bargaining agreement covering the worker.

(f) The requirement of this section to pay at least the general prevailing rate of per diem wages does not preclude use of an

alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(g) In addition to the requirements of paragraph (12) of subdivision (c), and the requirements of subdivisions (d), (e), and (f), a development of 50 or more housing units approved by a local government pursuant to Article 2 (commencing with Section 65912.110) of, or Article 3 (commencing with Section 65912.120) of, Chapter 4.1 shall meet all of the following labor standards:

(1) The development proponent shall require in contracts with construction contractors and shall certify to the local government that each contractor of any tier who will employ construction craft employees or will let subcontracts for at least 1,000 hours shall satisfy the requirements in paragraphs (2) and (3). A construction contractor is deemed in compliance with paragraphs (2) and (3) if it is signatory to a valid collective bargaining agreement that requires use of registered apprentices and expenditures on health care for employees and dependents.

(2) A contractor with construction craft employees shall either participate in an apprenticeship program approved by the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code, or request the dispatch of apprentices from a state-approved apprenticeship program under the terms and conditions set forth in Section 1777.5 of the Labor Code. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subdivision.

(3) Each contractor with construction craft employees shall make health care expenditures for each employee in an amount per hour worked on the development equivalent to at least the hourly pro rata cost of a Covered California Platinum-level plan for two adults 40 years of age and two dependents 0 to 14 years of age for the Covered California rating area in which the development is located. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this paragraph. Qualifying expenditures shall be credited toward compliance with prevailing wage payment requirements set forth in Section 65912.130.

(4) (A) The development proponent shall provide to the local government, on a monthly basis while its construction contracts on the development are being performed, a report demonstrating compliance with paragraphs (2) and (3). The report shall be

considered public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be open to public inspection.

(B) A development proponent that fails to provide the monthly report shall be subject to a civil penalty for each month for which the report has not been provided, in the amount of 10 percent of the dollar value of construction work performed by that contractor on the development in the month in question, up to a maximum of ten thousand dollars ($10,000). Any contractor or subcontractor that fails to comply with paragraph (2) or (3) shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of paragraph (2) or (3).

(C) Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the procedures for issuance of civil wage and penalty assessments specified in Section 1741 of the Labor Code, and may be reviewed pursuant to Section 1742 of the Labor Code. Penalties shall be deposited in the State Public Works Enforcement Fund established pursuant to Section 1771.3 of the Labor Code.

(5) Each construction contractor shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code. Each construction contractor shall submit payroll records directly to the Labor Commissioner at least monthly in a format prescribed by the Labor Commissioner in accordance with subparagraph (A) of paragraph (3) of subdivision (a) of Section 1771.4 of the Labor Code. The records shall include a statement of fringe benefits. Upon request by a joint labor-management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), the records shall be provided pursuant to subdivision (e) of Section 1776 of the Labor Code.

(6) All construction contractors shall report any change in apprenticeship program participation or health care expenditures to the local government within 10 business days, and shall reflect those changes on the monthly report. The reports shall be considered public records pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000 of Title 1)) and shall be open to public inspection.

(7) A joint labor-management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall have standing to sue a

construction contractor for failure to make health care expenditures pursuant to paragraph (3) in accordance with Section 218.7 or 218.8 of the Labor Code.

(h) Notwithstanding any other provision of this section, a development project that is eligible for approval as a use by right pursuant to this section may include the following ancillary uses, provided that those uses are limited to the ground floor of the development:

(1) In a single-family residential zone, ancillary uses shall be limited to childcare centers, without limitation on the number of children, and facilities operated by community-based organizations for the provision of recreational, social, or educational services for use by the residents of the development and members of the local community in which the development is located.

(2) In all other zones, the development may include the childcare centers and facilities described in paragraph (1), as well as any other commercial uses that are permitted without a conditional use permit or planned unit development permit.

(i) Notwithstanding any other provision of this section, a development project that is eligible for approval as a use by right pursuant to this section includes any religious institutional use, or any use that was previously existing and legally permitted by the city or county on the site, if all of the following criteria are met:

(1) The total square footage of nonresidential space on the site does not exceed the amount previously existing or permitted in a conditional use permit.

(2) The new uses abide by the same operational conditions as contained in the previous conditional use permit.

(j) A housing development project that qualifies as a use by right pursuant to subdivision (b) shall be allowed the following density, as applicable:

(1) (A) If the development project is located in a zone that allows residential uses, including in single-family residential zones, the development project shall be allowed a density of the applicable density deemed appropriate to accommodate housing for lower income households identified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2 and a height of one story or 11 feet above the maximum height otherwise applicable to the parcel.

(B) If the local government allows for greater residential density on that parcel, or greater residential density or building heights on an adjoining parcel, than permitted in subparagraph (A), the greater density or building height shall apply, including a height of one story or 11 feet above the maximum height otherwise applicable to the parcel.

(C) A housing development project that is located in a zone that allows residential uses, including in single-family residential zones, shall be eligible for a density bonus, incentives, or concessions, or waivers or reductions of development standards and parking ratios, pursuant to Section 65915.

(2) (A) If the development project is located in a zone that does not allow residential uses, the development project shall be allowed a density of 40 units per acre and a height of one story or 11 feet above the maximum height otherwise applicable to the parcel.

(B) If the local government allows for greater residential density or building heights on that parcel, or an adjoining parcel, than permitted in subparagraph (A), the greater density or building height shall apply, including a height of one story or 11 feet above the maximum height otherwise applicable to the parcel. A development project shall not use an incentive, waiver, or concession to increase the height of the development to greater than the height authorized under this subparagraph.

(C) Except as provided in subparagraph (B), a housing development project that is located in a zone that does not allow residential uses shall be eligible for a density bonus, incentives, or concessions, or waivers or reductions of development standards and parking ratios, pursuant to Section 65915.

(k) (1) Except as provided in paragraph (2), the proposed development, including any religious institutional use or any use that was previously existing and legally permitted by the city or county on the site pursuant to subdivision (j), shall provide off-street parking of up to one space per unit, unless a state law or local ordinance provides for a lower standard of parking, in which case the law or ordinance shall apply.

(2) A local government shall not impose a parking requirement if either of the following is true:

(A) The parcel is located within one-half mile walking distance of public transit, either a high-quality transit corridor or a major

transit stop as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(*l*) (1) If the local government determines that the proposed development is in conflict with any of the objective planning standards specified in this section, it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, within the following timeframes:

(A) Within 60 days of submittal of the development proposal to the local government if the development contains 150 or fewer housing units.

(B) Within 90 days of submittal of the development proposal to the local government if the development contains more than 150 housing units.

(2) If the local government fails to provide the required documentation pursuant to paragraph (1), the development shall be deemed to satisfy the required objective planning standards.

(3) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(4) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a "project" as defined in Section 21065 of the Public Resources Code.

(5) Design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government, and shall be broadly applicable to developments within the jurisdiction. That design review shall be completed as follows and shall not in any way inhibit, chill, or preclude the

ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development proposal to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development proposal to the local government pursuant to this section if the development contains more than 150 housing units.

(6) The local government shall ensure that the project satisfies the requirements specified in subdivision (d) of Section 66300, regardless of whether the development is within or not within an affected city or within or not within an affected county.

(7) If the development is consistent with all objective subdivision standards in the local subdivision ordinance, an application for a subdivision pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410)) shall be exempt from the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(8) A local government's approval of a development pursuant to this section shall, notwithstanding any other law, be subject to the expiration timeframes specified in subdivision (f) of Section 65913.4.

(9) Any proposed modifications to a development project approved pursuant to this section shall be undertaken pursuant to subdivision (g) of Section 65913.4.

(10) A local government shall not adopt or impose any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive streamlined, ministerial review pursuant to this section.

(11) A local government shall issue a subsequent permit required for a development approved under this section pursuant to paragraph (2) of subdivision (h) of Section 65913.4.

(12) A public improvement that is necessary to implement a development that is approved pursuant to this section shall be undertaken pursuant to paragraph (3) of subdivision (h) of Section 65913.4.

(m) This section shall not prevent a development from also qualifying as a housing development project entitled to the protections of Section 65589.5.

(n) The Legislature finds and declares that ensuring residential development at greater density on land owned by independent institutions of higher education and religious institutions is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

(o) The provisions of paragraph (3) of subdivision (g) concerning health care expenditures are distinct and severable from the remaining provisions of this section. However, all other provisions of subdivision (g) are material and integral parts of this section and are not severable. If any provision of subdivision (g), exclusive of those included in paragraph (3), is held invalid, the entire section shall be invalid and shall not be given effect.

(p) This section shall remain in effect only until January 1, 2036, and as of that date is repealed.

SEC. 15. Section 65928 of the Government Code is amended to read:

65928. (a) "Development project" means any project undertaken for the purpose of development. "Development project" includes a project involving the issuance of a permit for construction or reconstruction but not a permit to operate.

(b) (1) (A) Except as otherwise provided in subparagraph (B), "development project" does not include any ministerial projects proposed to be carried out or approved by public agencies.

(B) Notwithstanding subparagraph (A), "development project" includes a housing development project that requires an entitlement from a local agency, regardless of whether the process for permitting that entitlement is discretionary or ministerial.

(2) "Development project" does not include a postentitlement phase permit, as that term is defined in Section 65913.3.

SEC. 16. Section 65940 of the Government Code, as amended by Section 3 of Chapter 754 of the Statutes of 2023, is amended to read:

65940. (a) (1) Each public agency shall compile one or more lists that shall specify in detail the information that will be required from any applicant for a development project. Each public agency shall revise the list of information required from an applicant to

include a certification of compliance with Section 65962.5, and the statement of application required by Section 65943. Copies of the information, including the statement of application required by Section 65943, shall be made available to all applicants for development projects and to any person who requests the information.

(2) An affected city or affected county, as defined in Section 66300, shall include the information necessary to determine compliance with the requirements of Article 2 (commencing with Section 66300.5) of Chapter 12 in the list compiled pursuant to paragraph (1).

(b) The list of information required from any applicant shall include, where applicable, identification of whether the proposed project is located within 1,000 feet of a military installation, beneath a low-level flight path or within special use airspace as defined in Section 21098 of the Public Resources Code, and within an urbanized area as defined in Section 65944.

(c) (1) A public agency that is not beneath a low-level flight path or not within special use airspace and does not contain a military installation is not required to change its list of information required from applicants to comply with subdivision (b).

(2) A public agency that is entirely urbanized, as defined in subdivision (e) of Section 65944, with the exception of a jurisdiction that contains a military installation, is not required to change its list of information required from applicants to comply with subdivision (b).

(d) For purposes of this section, "development project" includes a housing development project as defined in paragraph (3) of subdivision (b) of Section 65905.5.

SEC. 17. Section 65940 of the Government Code, as amended by Section 5 of Chapter 161 of the Statutes of 2021, is repealed.

SEC. 18. Section 65941.1 of the Government Code is amended to read:

65941.1. (a) An applicant for a housing development project, as defined in paragraph (3) of subdivision (b) of Section 65905.5, shall be deemed to have submitted a preliminary application upon providing all of the following information about the proposed project to the city, county, or city and county from which approval for the project is being sought and upon payment of the permit processing fee:

(1) The specific location, including parcel numbers, a legal description, and site address, if applicable.

(2) The existing uses on the project site and identification of major physical alterations to the property on which the project is to be located.

(3) A site plan showing the location on the property, elevations showing design, color, and material, and the massing, height, and approximate square footage, of each building that is to be occupied.

(4) The proposed land uses by number of units and square feet of residential and nonresidential development using the categories in the applicable zoning ordinance.

(5) The proposed number of parking spaces.

(6) Any proposed point sources of air or water pollutants.

(7) Any species of special concern known to occur on the property.

(8) Whether a portion of the property is located within any of the following:

(A) A very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178.

(B) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).

(C) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Article 5 (commencing with Section 78760) of Chapter 4 of Part 2 of Division 45 of the Health and Safety Code.

(D) A special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency.

(E) A delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(F) A stream or other resource that may be subject to a streambed alteration agreement pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code.

(9) Any historic or cultural resources known to exist on the property.

(10) The number of proposed below market rate units and their affordability levels.

(11) The number of bonus units and any incentives, concessions, waivers, or parking reductions requested pursuant to Section 65915.

(12) Whether any approvals under the Subdivision Map Act, including, but not limited to, a parcel map, a tentative map, or a condominium map, are being requested.

(13) The applicant's contact information and, if the applicant does not own the property, consent from the property owner to submit the application.

(14) For a housing development project proposed to be located within the coastal zone, whether any portion of the property contains any of the following:

(A) Wetlands, as defined in subdivision (b) of Section 13577 of Title 14 of the California Code of Regulations.

(B) Environmentally sensitive habitat areas, as defined in Section 30240 of the Public Resources Code.

(C) A tsunami run-up zone.

(D) Use of the site for public access to or along the coast.

(15) The number of existing residential units on the project site that will be demolished and whether each existing unit is occupied or unoccupied.

(16) A site map showing a stream or other resource that may be subject to a streambed alteration agreement pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code and an aerial site photograph showing existing site conditions of environmental site features that would be subject to regulations by a public agency, including creeks and wetlands.

(17) The location of any recorded public easement, such as easements for storm drains, water lines, and other public rights of way.

(b) (1) A development proponent that submits a preliminary application providing the information required by subdivision (a) may include in its preliminary application a request for a preliminary fee and exaction estimate, which the city, county, or

city and county shall provide within 30 business days of the submission of the preliminary application.

(2) For development fees imposed by an agency other than a city, county, or city and county, including fees levied by a school district or a special district, the development proponent shall request the fee schedule from the agency that imposes the fee, and the agency that imposes the fee shall provide the fee schedule to the development proponent without delay.

(3) For purposes of this subdivision:

(A) "Exaction" has the same meaning as defined in Section 65940.1.

(B) (i) "Fee" means a fee or charge described in the Mitigation Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6 (commencing with Section 66010), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020)).

(ii) Notwithstanding clause (i), "fee" does not include either of the following:

(I) The cost of providing electrical or gas service from a local publicly owned utility.

(II) A charge imposed on a housing development project to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) "Fee and exaction estimate" means a good faith estimate of the total amount of fees and exactions expected to be imposed in connection with the project.

(4) Except for the provision of the fee and exaction estimate by the local agency, nothing in this subdivision shall create or affect any rights or obligations with respect to fees or exactions.

(5) The fee and exaction estimate shall be for informational purposes only and shall not be legally binding or otherwise affect the scope, amount, or time of payment of any fee or exaction that is determined by other provisions of law.

(6) A development proponent may request a fee schedule from a city, county, or special district for fees described in Chapter 7 (commencing with Section 66012), or for the cost of providing electrical or gas service from a local publicly owned utility. The city, county, special district, or local publicly owned utility shall provide the fee schedule upon request.

(c) (1) Each local agency shall compile a checklist and application form that applicants for housing development projects may use for the purpose of satisfying the requirements for submittal of a preliminary application.

(2) The Department of Housing and Community Development shall adopt a standardized form that applicants for housing development projects may use for the purpose of satisfying the requirements for submittal of a preliminary application if a local agency has not developed its own application form pursuant to paragraph (1). Adoption of the standardized form shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(3) A checklist or form shall not require or request any information beyond that expressly identified in subdivision (a).

(d) After submittal of all of the information required by subdivision (a), if the development proponent revises the project such that the number of residential units or square footage of construction changes by 20 percent or more, exclusive of any increase resulting from the receipt of a density bonus, incentive, concession, waiver, or similar provision, the housing development project shall not be deemed to have submitted a preliminary application that satisfies this section until the development proponent resubmits the information required by subdivision (a) so that it reflects the revisions. For purposes of this subdivision, "square footage of construction" means the building area, as defined by the California Building Standards Code (Title 24 of the California Code of Regulations).

(e) (1) Within 180 calendar days after submitting a preliminary application with all of the information required by subdivision (a) to a city, county, or city and county, the development proponent shall submit an application for a development project that includes all of the information required to process the development application consistent with Sections 65940, 65941, and 65941.5.

(2) If the public agency determines that the application for the development project is not complete pursuant to Section 65943, the development proponent shall submit the specific information needed to complete the application within 90 days of receiving the agency's written identification of the necessary information. If the development proponent does not submit this information within

the 90-day period, then the preliminary application shall expire and have no further force or effect.

(3) This section shall not require an affirmative determination by a city, county, or city and county regarding the completeness of a preliminary application or a development application for purposes of compliance with this section.

(f) Notwithstanding any other law, submission of a preliminary application in accordance with this section shall not preclude the listing of a tribal cultural resource on a national, state, tribal, or local historic register list on or after the date that the preliminary application is submitted. For purposes of Section 65589.5 or any other law, the listing of a tribal cultural site on a national, state, tribal, or local historic register on or after the date the preliminary application was submitted shall not be deemed to be a change to the ordinances, policies, and standards adopted and in effect at the time that the preliminary application was submitted.

SEC. 19. Section 65943 of the Government Code, as amended by Section 7 of Chapter 161 of the Statutes of 2021, is amended to read:

65943. (a) Not later than 30 calendar days after any public agency has received an application for a development project, the agency shall determine in writing whether the application is complete and shall immediately transmit the determination to the applicant for the development project. If the application is determined to be incomplete, the lead agency shall provide the applicant with an exhaustive list of items that were not complete. That list shall be limited to those items actually required on the lead agency's submittal requirement checklist. In any subsequent review of the application determined to be incomplete, the local agency shall not request the applicant to provide any new information that was not stated in the initial list of items that were not complete. If the written determination is not made within 30 days after receipt of the application, and the application includes a statement that it is an application for a development permit, the application shall be deemed complete for purposes of this chapter. Upon receipt of any resubmittal of the application, a new 30-day period shall begin, during which the public agency shall determine the completeness of the application. If the application is determined not to be complete, the agency's determination shall specify those parts of the application which are incomplete and shall indicate

the manner in which they can be made complete, including a list and thorough description of the specific information needed to complete the application. The applicant shall submit materials to the public agency in response to the list and description.

(b) Not later than 30 calendar days after receipt of the submitted materials described in subdivision (a), the public agency shall determine in writing whether the application as supplemented or amended by the submitted materials is complete and shall immediately transmit that determination to the applicant. In making this determination, the public agency is limited to determining whether the application as supplemented or amended includes the information required by the list and a thorough description of the specific information needed to complete the application required by subdivision (a). If the written determination is not made within that 30-day period, the application together with the submitted materials shall be deemed complete for purposes of this chapter.

(c) If the application together with the submitted materials are determined not to be complete pursuant to subdivision (b), the public agency shall provide a process for the applicant to appeal that decision in writing to the governing body of the agency or, if there is no governing body, to the director of the agency, as provided by that agency. A city or county shall provide that the right of appeal is to the governing body or, at their option, the planning commission, or both.

There shall be a final written determination by the agency on the appeal not later than 60 calendar days after receipt of the applicant's written appeal. The fact that an appeal is permitted to both the planning commission and to the governing body does not extend the 60-day period. Notwithstanding a decision pursuant to subdivision (b) that the application and submitted materials are not complete, if the final written determination on the appeal is not made within that 60-day period, the application with the submitted materials shall be deemed complete for the purposes of this chapter.

(d) Nothing in this section precludes an applicant and a public agency from mutually agreeing to an extension of any time limit provided by this section.

(e) A public agency may charge applicants a fee not to exceed the amount reasonably necessary to provide the service required by this section. If a fee is charged pursuant to this section, the fee

shall be collected as part of the application fee charged for the development permit.

(f) Each city and each county shall make copies of any list compiled pursuant to Section 65940 with respect to information required from an applicant for a housing development project, as that term is defined in paragraph (2) of subdivision (h) of Section 65589.5, available both (1) in writing to those persons to whom the agency is required to make information available under subdivision (a) of that section, and (2) publicly available on the internet website of the city or county.

(g) For purposes of this section, "development project" includes a housing development project as defined in paragraph (3) of subdivision (b) of Section 65905.5.

SEC. 20. Section 65943 of the Government Code, as amended by Section 8 of Chapter 161 of the Statutes of 2021, is repealed.

SEC. 21. Section 65950 of the Government Code, as amended by Section 9 of Chapter 161 of the Statutes of 2021, is amended to read:

65950. (a) A public agency that is the lead agency for a development project shall approve or disapprove the project within whichever of the following periods is applicable:

(1) One hundred eighty days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for the development project.

(2) Ninety days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for a development project defined in subdivision (c).

(3) Sixty days from the date of certification by the lead agency of the environmental impact report, if an environmental impact report is prepared pursuant to Section 21100 or 21151 of the Public Resources Code for a development project defined in subdivision (c) and all of the following conditions are met:

(A) At least 49 percent of the units in the development project are affordable to very low or low-income households, as defined by Sections 50105 and 50079.5 of the Health and Safety Code, respectively. Rents for the lower income units shall be set at an affordable rent, as that term is defined in Section 50053 of the

Health and Safety Code, for at least 30 years. Owner-occupied units shall be available at an affordable housing cost, as that term is defined in Section 50052.5 of the Health and Safety Code.

(B) Prior to the application being deemed complete for the development project pursuant to Article 3 (commencing with Section 65940), the lead agency received written notice from the project applicant that an application has been made or will be made for an allocation or commitment of financing, tax credits, bond authority, or other financial assistance from a public agency or federal agency, and the notice specifies the financial assistance that has been applied for or will be applied for and the deadline for application for that assistance, the requirement that one of the approvals of the development project by the lead agency is a prerequisite to the application for or approval of the application for financial assistance, and that the financial assistance is necessary for the project to be affordable as required pursuant to subparagraph (A).

(C) There is confirmation that the application has been made to the public agency or federal agency prior to certification of the environmental impact report.

(4) Sixty days from the date of adoption by the lead agency of the negative declaration, if a negative declaration is completed and adopted for the development project.

(5) Sixty days from the determination by the lead agency that the project is exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), if the project is exempt from that act.

(6) Except as provided in subdivision (a) of Section 65912.114 and subdivision (a) of Section 65912.124, sixty days from the date of receipt of a complete application if the project is subject to ministerial review by the public agency.

(7) Thirty days from the conclusion of the process outlined in subdivision (b) of Section 21080.66 of the Public Resources Code, if a development project is exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) pursuant to Section 21080.66 of the Public Resources Code.

(b) This section does not preclude a project applicant and a public agency from mutually agreeing in writing to an extension

of any time limit provided by this section pursuant to Section 65957.

(c) For purposes of paragraphs (2) and (3) of subdivision (a) and Section 65952, "development project" means a housing development project, as defined in paragraph (3) of subdivision (b) of Section 65905.5.

(d) For purposes of this section, "lead agency" and "negative declaration" have the same meaning as defined in Sections 21067 and 21064 of the Public Resources Code, respectively.

SEC. 22. Section 65950 of the Government Code, as amended by Section 10 of Chapter 161 of the Statutes of 2021, is repealed.

SEC. 23. Section 65952 of the Government Code is amended to read:

65952. (a) Except as provided in subdivision (b), a public agency that is a responsible agency for a development project that has been approved by the lead agency shall approve or disapprove the development project within whichever of the following periods of time is longer:

(1) Within 180 days from the date on which the lead agency has approved the project.

(2) Within 180 days of the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.

(b) A public agency that is a responsible agency for a development project described in paragraph (2) or (3) of subdivision (a) of Section 65950 that has been approved by the lead agency shall approve or disapprove the development project within whichever of the following periods of time is longer:

(1) Within 90 days from the date on which the lead agency has approved the project.

(2) Within 90 days of the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.

(c) At the time a decision by a lead agency to disapprove a development project becomes final, applications for that project which are filed with responsible agencies shall be deemed withdrawn.

SEC. 24. Section 65953 of the Government Code is amended to read:

65953. (a) All time limits specified in this article are maximum time limits for approving or disapproving development projects. All public agencies shall, if possible, approve or disapprove development projects in shorter periods of time.

(b) All time limits specified in this article shall only apply to the extent that the time limits are equal to or shorter than the applicable time limits for public agency review established in any other law.

SEC. 25. Section 65956 of the Government Code is amended to read:

65956. (a) If any provision of law requires the lead agency or responsible agency to provide public notice of the development project or to hold a public hearing, or both, on the development project and the agency has not provided the public notice or held the hearing, or both, at least 60 days prior to the expiration of the time limits established by Sections 65950 and 65952, the applicant or the applicant's representative may file an action pursuant to Section 1085 of the Code of Civil Procedure to compel the agency to provide the public notice or hold the hearing, or both, and the court shall give the proceedings preference over all other civil actions or proceedings, except older matters of the same character.

(b) In the event that a lead agency or a responsible agency fails to act to approve or to disapprove a development project within the time limits required by this article, the failure to act shall be deemed approval of the permit application for the development project.

(c) Failure of an applicant to submit complete or adequate information pursuant to Sections 65943 to 65944, inclusive, may constitute grounds for disapproving a development project.

(d) Nothing in this section shall diminish the permitting agency's legal responsibility to provide, where applicable, public notice and hearing before acting on a permit application.

SEC. 26. Section 66301 of the Government Code is repealed.

SEC. 27. Section 66323 of the Government Code is amended to read:

66323. (a) Notwithstanding Sections 66314 to 66322, inclusive, a local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following:

(1) One accessory dwelling unit and one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling if all of the following apply:

(A) The accessory dwelling unit or junior accessory dwelling unit is within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure and may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

(B) The space has exterior access from the proposed or existing single-family dwelling.

(C) The side and rear setbacks are sufficient for fire and safety.

(D) The junior accessory dwelling unit complies with the requirements of Article 3 (commencing with Section 66333).

(2) One detached, new construction, accessory dwelling unit that does not exceed four-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. The accessory dwelling unit may be combined with a junior accessory dwelling unit described in paragraph (1). A local agency may impose the following conditions on the accessory dwelling unit:

(A) A total floor area limitation of not more than 800 square feet.

(B) A height limitation as provided in subparagraph (A), (B), or (C) of paragraph (4) of subdivision (b) of Section 66321, as applicable.

(3) (A) Multiple accessory dwelling units within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.

(B) A local agency shall allow at least one accessory dwelling unit within an existing multifamily dwelling and shall allow up to 25 percent of the existing multifamily dwelling units.

(4) (A) (i) Multiple accessory dwelling units, not to exceed the number specified in clause (ii) or (iii), as applicable, that are located on a lot that has an existing or proposed multifamily dwelling, but are detached from that multifamily dwelling and are subject to a height limitation in subparagraph (A), (B), or (C) of

paragraph (4) of subdivision (b) of Section 66321, as applicable, and rear yard and side setbacks of no more than four feet.

(ii) On a lot with an existing multifamily dwelling, not more than eight detached accessory dwelling units. However, the number of accessory dwelling units allowable pursuant to this clause shall not exceed the number of existing units on the lot.

(iii) On a lot with a proposed multifamily dwelling, not more than two detached accessory dwelling units.

(B) If the existing multifamily dwelling has a rear or side setback of less than four feet, the local agency shall not require any modification of the existing multifamily dwelling as a condition of approving the application to construct an accessory dwelling unit that satisfies the requirements of this paragraph.

(b) A local agency shall not impose any objective development or design standard that is not authorized by this section upon any accessory dwelling unit that meets the requirements of any of paragraphs (1) to (4), inclusive, of subdivision (a).

(c) A local agency shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions.

(d) The installation of fire sprinklers shall not be required in an accessory dwelling unit if sprinklers are not required for the primary residence. The construction of an accessory dwelling unit shall not trigger a requirement for fire sprinklers to be installed in the existing multifamily dwelling.

(e) A local agency shall require that a rental of the accessory dwelling unit created pursuant to this section be for a term longer than 30 days.

(f) A local agency may require, as part of the application for a permit to create an accessory dwelling unit connected to an onsite wastewater treatment system, a percolation test completed within the last five years, or, if the percolation test has been recertified, within the last 10 years.

SEC. 28. Section 66499.41 of the Government Code, as amended by Section 3 of Chapter 294 of the Statutes of 2024, is amended to read:

66499.41. (a) A local agency shall ministerially consider, without discretionary review or a hearing, a parcel map or a

tentative and final map for a housing development project that meets all of the following requirements:

(1) (A) The proposed subdivision will result in 10 or fewer parcels and the housing development project on the lot proposed to be subdivided will contain 10 or fewer residential units, except as provided in subdivision (g).

(B) The proposed subdivision may designate a remainder parcel, as defined under Section 66424.6, that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. The remainder parcel shall not be counted against the 10-parcel maximum permitted under subparagraph (A).

(2) The lot proposed to be subdivided meets all of the following sets of requirements:

(A) The lot is one of the following:

(i) Zoned to allow multifamily residential dwelling use.

(ii) Vacant and zoned for single-family residential development. For purposes of this paragraph, "vacant" means having no permanent structure, unless the permanent structure is abandoned and uninhabitable. All of the following types of housing shall not be defined as "vacant:"

(I) Housing that is subject to a recorded covenant, ordinance, or law that restricts rent or sales price to levels affordable to persons and families of low, very low, or extremely low income.

(II) Housing that is subject to any form of rent or sales price control through a local public entity's valid exercise of its police power.

(III) Housing occupied by tenants within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit.

(B) (i) A lot zoned to allow multifamily residential dwelling use is no larger than five acres and is substantially surrounded by qualified urban uses.

(ii) A vacant lot zoned for single-family residential development is no larger than one and one-half acres and is substantially surrounded by qualified urban uses.

(iii) For purposes of this subparagraph, the following definitions apply:

(I) "Qualified urban use" has the same meaning as defined in Section 21072 of the Public Resources Code.

(II) "Substantially surrounded" has the same meaning as defined in paragraph (2) of subdivision (a) of Section 21159.25 of the Public Resources Code.

(C) The lot is a legal parcel located within one of the following:

(i) An incorporated city, the boundaries of which include some portion of an urbanized area.

(ii) An urbanized area or urban cluster in a county with a population greater than 600,000 based on the most recent United States Census Bureau data.

(iii) For purposes of this subparagraph, the following definitions apply:

(I) "Urbanized area" means an urbanized area designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(II) "Urban cluster" means an urban cluster designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(D) The lot was not established pursuant to this section, including a designated remainder parcel described in subparagraph (B) of paragraph (1), or Section 66411.7.

(3) (A) Except as specified in subparagraphs (B) and (C), the newly created parcels are no smaller than 600 square feet.

(B) If the parcels are zoned for single-family residential use, the newly created parcels are no smaller than 1,200 square feet.

(C) A local agency may, by ordinance, adopt a smaller minimum parcel size subject to ministerial approval under this subdivision.

(4) The housing units on the lot proposed to be subdivided are one of the following:

(A) Constructed on fee simple ownership lots.

(B) Part of a common interest development.

(C) Part of a housing cooperative, as defined in Section 817 of the Civil Code.

(D) Constructed on land owned by a community land trust. For the purpose of this subparagraph, "community land trust" means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following:

(i) Has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences.

(ii) All dwellings and units located on the land owned by the nonprofit corporation are sold to qualified owners to be occupied as the qualified owner's primary residence or rented to persons and families of low or moderate income. For the purpose of this subparagraph, "qualified owner" means a person or family of low or moderate income, including a person or family of low or moderate income who owns a dwelling or unit collectively as a member occupant or resident shareholder of a limited-equity housing cooperative.

(iii) The land owned by the nonprofit corporation, on which a dwelling or unit sold to a qualified owner is situated, is leased by the nonprofit corporation to the qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.

(E) Part of a tenancy in common, as described in Section 685 of the Civil Code.

(5) The proposed housing development project will, pursuant to the requirements of this division, meet one of the following, as applicable:

(A) If the parcel is identified in the jurisdiction's housing element for the current planning period that is in substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1, the housing development project will result in at least as many units as projected for that parcel in the housing element. If the parcel is identified to accommodate any portion of the jurisdiction's share of the regional housing need for low-income or very low income households, the housing development project will result in at least as many low-income or very low income units as projected in the housing element. These units shall be subject to a recorded affordability restriction of at least 45 years.

(B) (i) If the parcel is not identified in the jurisdiction's housing element for the current planning period that is in substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1, the housing development project will result in at least 66 percent of the maximum allowable residential density as specified by local zoning or 66 percent of the applicable residential density specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2, whichever is greater.

(ii) Where local zoning does not specify a maximum allowable residential density, the housing development project will result in at least 66 percent of the applicable residential density as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2.

(iii) The area of any designated remainder parcel described in subparagraph (B) of paragraph (1) shall be excluded from the calculation of residential density under this paragraph.

(6) The average total area of floorspace for the proposed housing units on the lot proposed to be subdivided does not exceed 1,750 net habitable square feet. For purposes of this paragraph, "net habitable square feet" means the finished and heated floor area fully enclosed by the inside surface of walls, windows, doors, and partitions, and having a headroom of at least six and one-half feet, including working, living, eating, cooking, sleeping, stair, hall, service, and storage areas, but excluding garages, carports, parking spaces, cellars, half-stories, and unfinished attics and basements.

(7) The housing development project on the lot proposed to be subdivided complies with any local inclusionary housing ordinances adopted by the local agency.

(8) The development of a housing development project on the lot proposed to be subdivided does not require the demolition or alteration of any of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rent to levels affordable to persons and families of low, very low, or extremely low income.

(B) Housing that is subject to any form of rent or price control through a local public entity's valid exercise of its police power.

(C) Housing occupied by tenants within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit.

(D) A parcel on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(9) The lot proposed to be subdivided is not located on a site that is any of the following:

(A) Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.

(B) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).

(C) Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code.

(D) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to former Section 25356 of the Health and Safety Code, unless either of the following applies:

(i) The site is an underground storage tank site that received a uniform closure letter issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This section does not alter or change the conditions to remove a site from the list of hazardous waste sites listed pursuant to Section 65962.5.

(ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, has otherwise determined that the site is suitable for residential use or residential mixed uses.

(E) Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the housing development project complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any

local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(F) Within a special flood hazard area subject to inundation by the 1-percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this paragraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A housing development project may be located on a site described in this subparagraph if either of the following is met:

(i) The site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction.

(ii) The site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

(G) Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the housing development project has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site.

(H) Land identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section

2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or another adopted natural resource protection plan.

(I) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

(J) Land under conservation easement.

(10) The proposed subdivision conforms to all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)), except as otherwise expressly provided in this section.

(11) The proposed subdivision complies with all applicable standards established pursuant to Section 65852.28.

(12) Any parcels proposed to be created pursuant to this section will be served by a public water system and a municipal sewer system.

(13) The proposed subdivision will not result in any existing dwelling unit being alienable separate from the title to any other existing dwelling unit on the lot.

(b) A housing development project on a proposed site to be subdivided pursuant to this section is not required to comply with either of the following requirements:

(1) A minimum requirement on the size, width, depth, frontage, or dimensions of an individual parcel created by the housing development project beyond the minimum parcel size specified in, or established pursuant to, paragraph (3) of subdivision (a).

(2) (A) The formation of a homeowners' association, except as required by the Davis-Stirling Common Interest Development Act (Part 5 (commencing with Section 4000) of Division 4 of the Civil Code).

(B) Subparagraph (A) shall not be construed to prohibit a local agency from requiring a mechanism for the maintenance of common space within the subdivision, including, but not limited to, a road maintenance agreement.

(c) A local agency shall approve or deny an application for a parcel map or a tentative map for a housing development project submitted to a local agency pursuant to this section within 60 days from the date the local agency receives a completed application. If the local agency does not approve or deny a completed application within 60 days, the application shall be deemed approved. If the local agency denies the application, the local agency shall, within 60 days from the date the local agency receives the completed application, return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the applicant can remedy the application.

(d) Any housing development project constructed on the lot proposed to be subdivided pursuant to this section shall comply with all applicable objective zoning standards, objective subdivision standards, and objective design standards as established by the local agency that are not inconsistent with this section and paragraph (2) of subdivision (a) of Section 65852.28.

(e) (1) (A) Except as provided in paragraph (2), no person shall sell, lease, or finance any parcel or parcels of real property resulting from a subdivision under this section separately from any other such parcel or parcels, unless each parcel that is sold, leased, or financed meets one of the following criteria:

(i) The parcel contains a residential structure completed in compliance with all applicable provisions of the California Building Standards Code that includes at least one dwelling unit.

(ii) The parcel already contains an existing legally permitted residential structure.

(iii) The parcel is reserved for internal circulation, open space, or common area.

(iv) The parcel is the only remaining parcel within the subdivision that is not developed with a residential structure that was completed in compliance with all applicable provisions of the California Building Standards Code.

(B) For purposes of this subdivision, “parcel or parcels of real property resulting from a subdivision under this section” shall not include any designated remainder parcel described in subparagraph (B) of paragraph (1) of subdivision (a).

(C) Violation of this paragraph shall constitute the sale of real property that has been divided in violation of the provisions of this

division and shall be subject to the penalties and remedies set forth in Chapter 7 (commencing with Section 66499.30).

(2) A local agency may, by ordinance or map condition, authorize the sale, lease, or finance of any parcel or parcels of real property resulting from a subdivision under this section without compliance with the provisions of paragraph (1).

(f) A local agency may deny the issuance of a parcel map, a tentative map, or a final map if it makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(g) Notwithstanding Article 2 (commencing with Section 66314) or Article 3 (commencing with Section 66333) of Chapter 13 of Division 1, a local agency is not required to permit an accessory dwelling unit or a junior accessory dwelling unit on parcels created through the exercise of the authority contained within this section. If a local agency chooses to permit accessory dwelling units or junior accessory dwelling units, the units shall not count as residential units for the purposes of paragraph (1) of subdivision (a).

(h) (1) Notwithstanding Section 66411.7, a local agency is not required to permit an urban lot split on a parcel created through the exercise of the authority contained within this section.

(2) Notwithstanding Sections 65852.21 and 66411.7, those sections shall not apply to a site that meets both of the following requirements:

(A) The site is located within a single-family residential horsekeeping zone designated in a master plan, adopted before January 1, 1994, that regulates land zoned single-family horsekeeping, commercial, commercial-recreational, and existing industrial within the plan area.

(B) The applicable local government has an adopted housing element that is compliant with applicable law.

(i) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

SEC. 29. Section 17958 of the Health and Safety Code is amended to read:

17958. (a) Except as provided in subdivision (b), and in Sections 17958.8 and 17958.9, any city or county may make changes in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations thereafter adopted pursuant to Section 17922 to amend, add, or repeal ordinances or regulations which impose the same requirements as are contained in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations adopted pursuant to Section 17922 or make changes or modifications in those requirements upon express findings pursuant to Sections 17958.5 and 17958.7. If any city or county does not amend, add, or repeal ordinances or regulations to impose those requirements or make changes or modifications in those requirements upon express findings, the provisions published in the California Building Standards Code or the other regulations promulgated pursuant to Section 17922 shall be applicable to it and shall become effective 180 days after publication by the California Building Standards Commission. Amendments, additions, and deletions to the California Building Standards Code adopted by a city or county pursuant to Section 17958.7, together with all applicable portions of the California Building Standards Code, shall become effective 180 days after publication of the California Building Standards Code by the California Building Standards Commission.

(b) Commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not make changes that are applicable to residential units in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations thereafter adopted pursuant to Section 17922 to amend, add, or repeal ordinances or regulations which impose the same requirements as are contained in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations adopted pursuant to Section 17922 or make changes or modifications in those requirements upon express findings pursuant to Sections 17958.5 and 17958.7, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the

governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

(6) The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a postentitlement permit.

(B) Alterations to a local agency's postentitlement fee schedule.

(C) Modernization of, or adoption of, new permitting platforms and software utilized by the local agency.

(D) Reductions in cost of internal operation for a local agency.

(E) Establishment, alteration, or removal of local programs related to enforcement of building code violations or complaints alleging building code violations.

SEC. 30. Section 17958.5 of the Health and Safety Code is amended to read:

17958.5. (a) Except as provided in subdivision (c) and in Section 17922.6, in adopting the ordinances or regulations pursuant to Section 17958, a city or county may make those changes or modifications in the requirements contained in the provisions published in the California Building Standards Code and the other regulations adopted pursuant to Section 17922, including, but not limited to, green building standards, as it determines, pursuant to the provisions of Section 17958.7, are reasonably necessary because of local climatic, geological, or topographical conditions.

(b) For purposes of this section, a city or county may make reasonably necessary modifications to the requirements, adopted

pursuant to Section 17922, including, but not limited to, green building standards, contained in the provisions of the code and regulations on the basis of local conditions.

(c) Commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not make a change or modification as described in subdivision (a) or (b), including to green building standards, that is applicable to residential units, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a local fire prevention district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

(6) The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a postentitlement permit.

(B) Alterations to a local agency's postentitlement fee schedule.

(C) Modernization of, or adoption of, new permitting platforms and software utilized by the local agency.

(D) Reductions in cost of internal operation for a local agency.

(E) Establishment, alteration, or removal of local programs related to enforcement of building code violations or complaints alleging building code violations.

SEC. 31. Section 17958.7 of the Health and Safety Code is amended to read:

17958.7. (a) Except as provided in subdivision (c) and in Section 17922.6, the governing body of a city or county, before making any modifications or changes pursuant to Section 17958.5, shall make an express finding that such modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions. Such a finding shall be available as a public record. A copy of those findings, together with the modification or change expressly marked and identified to which each finding refers, shall be filed with the California Building Standards Commission. No modification or change shall become effective or operative for any purpose until the finding and the modification or change have been filed with the California Building Standards Commission.

(b) The California Building Standards Commission may reject a modification or change filed by the governing body of a city or county if no finding was submitted.

(c) Commencing October 1, 2025, to June 1, 2031, inclusive, the commission shall reject a modification or change to any building standard affecting a residential unit and filed by the governing body of a city or county, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a local fire prevention district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

(6) The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period

pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a postentitlement permit.

(B) Alterations to a local agency's postentitlement fee schedule.

(C) Modernization of, or adoption of, new permitting platforms and software utilized by the local agency.

(D) Reductions in cost of internal operation for a local agency.

(E) Establishment, alteration, or removal of local programs related to enforcement of building code violations or complaints alleging building code violations.

(d) (1) The commission, in determining that a modification or change meets any of the criteria in paragraph (1) to (5), inclusive, of subdivision (c), may rely on a statement by the local agency to that effect.

(2) The changes or modifications made pursuant to paragraph (6) of subdivision (c) may be filed with the commission and shall be reviewed by the commission, in consultation with the Department of Housing and Community Development, within 60 days of receipt, if requested by the local agency.

SEC. 32. Section 17973 of the Health and Safety Code is amended to read:

17973. (a) Exterior elevated elements that include load-bearing components in all buildings containing three or more multifamily dwelling units shall be inspected. The inspection shall be performed by a licensed architect; licensed civil or structural engineer; a building contractor holding any or all of the "A," "B," or "C-5" license classifications issued by the Contractors State License Board, with a minimum of five years' experience, as a holder of the aforementioned classifications or licenses, in constructing multistory wood frame buildings; or an individual certified as a building inspector or building official from a recognized state, national, or international association, as determined by the local jurisdiction. These individuals shall not be employed by the local jurisdiction while performing these inspections. The purpose of the inspection is to determine that exterior elevated elements and their associated waterproofing elements are in a generally safe condition, adequate working order, and free from any hazardous condition caused by fungus, deterioration, decay, or improper alteration to the extent that the life, limb, health, property, safety,

or welfare of the public or the occupants is not endangered. The person or business performing the inspection shall be hired by the owner of the building.

(b) For purposes of this section, the following terms have the following definitions:

(1) "Associated waterproofing elements" include flashings, membranes, coatings, and sealants that protect the load-bearing components of exterior elevated elements from exposure to water and the elements.

(2) "Exterior elevated element" means the following types of structures, including their supports and railings: balconies, decks, porches, stairways, walkways, and entry structures that extend beyond exterior walls of the building and which have a walking surface that is elevated more than six feet above ground level, are designed for human occupancy or use, and rely in whole or in substantial part on wood or wood-based products for structural support or stability of the exterior elevated element.

(3) "Load-bearing components" are those components that extend beyond the exterior walls of the building to deliver structural loads from the exterior elevated element to the building.

(c) The inspection required by this section shall at a minimum include:

(1) Identification of each type of exterior elevated element that, if found to be defective, decayed, or deteriorated to the extent that it does not meet its load requirements, would, in the opinion of the inspector, constitute a threat to the health or safety of the occupants.

(2) Assessment of the load-bearing components and associated waterproofing elements of the exterior elevated elements identified in paragraph (1) using methods allowing for evaluation of their performance by direct visual examination or comparable means of evaluating their performance. For purposes of this section, a sample of at least 15 percent of each type of exterior elevated element shall be inspected.

(3) The evaluation and assessment shall address each of the following as of the date of the evaluation:

(A) The current condition of the exterior elevated elements.

(B) Expectations of future performance and projected service life.

(C) Recommendations of any further inspection necessary.

(4) A written report of the evaluation stamped or signed by the inspector presented to the owner of the building or the owner's designated agent within 45 days of completion of the inspection. The report shall include photographs, any test results, and narrative sufficient to establish a baseline of the condition of the components inspected that can be compared to the results of subsequent inspections. In addition to the evaluation required by this section, the report shall advise which, if any, exterior elevated element poses an immediate threat to the safety of the occupants, and whether preventing occupant access or conducting emergency repairs, including shoring, are necessary.

(d) (1) The inspection shall be completed by January 1, 2026, and by January 1 every six years thereafter. The inspector conducting the inspection shall produce an initial report pursuant to paragraph (4) of subdivision (c) and, if requested by the owner, a final report indicating that any required repairs have been completed. A copy of any report that recommends immediate repairs, advises that any building assembly poses an immediate threat to the safety of the occupants, or that preventing occupant access or emergency repairs, including shoring, are necessary, shall be provided by the inspector to the owner of the building and to the local enforcement agency within 15 days of completion of the report. Subsequent inspection reports shall incorporate copies of prior inspection reports, including the locations of the exterior elevated elements inspected. Local enforcement agencies may determine whether any additional information is to be provided in the report and may require a copy of the initial or final reports, or both, be submitted to the local jurisdiction. Copies of all inspection reports shall be maintained in the building owner's permanent records for not less than two inspection cycles, and shall be disclosed and delivered to the buyer at the time of any subsequent sale of the building.

(2) Notwithstanding paragraph (1), if the owner of the building confirms the presence of asbestos containing material (ACM) during the inspection process and is unable to complete the inspection as a result, the owner of the building shall have up to nine months to complete the necessary ACM abatement in accordance with applicable federal, state, and local laws. Upon completion of ACM abatement, the owner of the building shall have no more than three months to complete the inspection in

paragraph (1). The owner of the building shall retain records confirming the presence of ACM and its abatement for three years after completion of the inspection.

(e) The inspection of buildings for which a building permit application has been submitted on or after January 1, 2019, shall occur no later than six years following issuance of a certificate of occupancy from the local jurisdiction and shall otherwise comply with the provisions of this section.

(f) If the property was inspected within three years prior to January 1, 2019, by an inspector as described in subdivision (a) and a report of that inspector was issued stating that the exterior elevated elements and associated waterproofing elements are in proper working condition and do not pose a threat to the health and safety of the public, no new inspection pursuant to this section shall be required until January 1, 2026.

(g) An exterior elevated element found by the inspector that is in need of repair or replacement shall be corrected by the owner of the building. All necessary permits for repair or replacement shall be obtained from the local jurisdiction. All repair and replacement work shall be performed by a qualified and licensed contractor in compliance with all of the following:

(1) The recommendations of a licensed professional described in subdivision (a).

(2) Any applicable manufacturer's specifications.

(3) The California Building Standards Code, consistent with subdivision (d) of Section 17922 of the Health and Safety Code.

(4) All local jurisdictional requirements.

(h) (1) An exterior elevated element that the inspector advises poses an immediate threat to the safety of the occupants, or finds preventing occupant access or emergency repairs, including shoring, or both, are necessary, shall be considered an emergency condition and the owner of the building shall perform required preventive measures immediately. Immediately preventing occupant access to the exterior elevated element until emergency repairs can be completed constitutes compliance with this paragraph. Repairs of emergency conditions shall comply with the requirements of subdivision (g), be inspected by the inspector, and reported to the local enforcement agency.

(2) The owner of the building requiring corrective work to an exterior elevated element that, in the opinion of the inspector, does

not pose an immediate threat to the safety of the occupants, shall apply for a permit within 120 days of receipt of the inspection report. Once the permit is approved, the owner of the building shall have 120 days to make the repairs unless an extension of time is granted by the local enforcement agency.

(i) (1) The owner of the building shall be responsible for complying with the requirements of this section.

(2) If the owner of the building does not comply with the repair requirements within 180 days, the inspector shall notify the local enforcement agency and the owner of the building. If within 30 days of the date of the notice the repairs are not completed, the owner of the building shall be assessed a civil penalty based on the fee schedule set by the local authority of not less than one hundred dollars ($100) nor more than five hundred dollars ($500) per day until the repairs are completed, unless an extension of time is granted by the local enforcement agency.

(3) In the event that a civil penalty is assessed pursuant to this section, a building safety lien may be recorded in the county recorder's office by the local jurisdiction in the county in which the parcel of land is located and from the date of recording shall have the force, effect, and priority of a judgment lien.

(j) (1) A building safety lien authorized by this section shall specify the amount of the lien, the name of the agency on whose behalf the lien is imposed, the street address, the legal description and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the recorded owner of the building.

(2) In the event that the lien is discharged, released, or satisfied, either through payment or foreclosure, notice of the discharge containing the information specified in paragraph (1) shall be recorded by the governmental agency. A safety lien and the release of the lien shall be indexed in the grantor-grantee index.

(3) A building safety lien may be foreclosed by an action brought by the appropriate local jurisdiction for a money judgment.

(4) Notwithstanding any other law, the county recorder may impose a fee on the city to reimburse the costs of processing and recording the lien and providing notice to the owner of the building. A city may recover from the owner of the building any costs incurred regarding the processing and recording of the lien and

providing notice to the owner of the building as part of its foreclosure action to enforce the lien.

(k) The continued and ongoing maintenance of exterior elevated elements in a safe and functional condition in compliance with these provisions shall be the responsibility of the owner of the building.

(*l*) Local enforcement agencies shall have the ability to recover enforcement costs associated with the requirements of this section.

(m) For any building subject to the provisions of this section that is proposed for conversion to condominiums to be sold to the public after January 1, 2019, the inspection required by this section shall be conducted prior to the first close of escrow of a separate interest in the project and shall include the inspector's recommendations for repair or replacement of any exterior elevated element found to be defective, decayed, or deteriorated to the extent that it does not meet its load requirements, and would, in the opinion of the inspector, constitute a threat to the health or safety of the occupants. The inspection report and written confirmation by the inspector that any repairs or replacements recommended by the inspector have been completed shall be submitted to the Department of Real Estate by the proponent of the conversion and shall be a condition to the issuance of the final public report. A complete copy of the inspection report and written confirmation by the inspector that any repairs or replacements recommended by the inspector have been completed shall be included with the written statement of defects required by Section 1134 of the Civil Code, and provided to the local jurisdiction in which the project is located. The inspection, report, and confirmation of completed repairs shall be a condition of the issuance of a final inspection or certificate of occupancy by the local jurisdiction.

(n) This section shall not apply to a common interest development, as defined in Section 4100 of the Civil Code.

(o) The governing body of any city, county, or city and county, may enact ordinances or laws imposing requirements greater than those imposed by this section.

SEC. 33. Section 17974.1 of the Health and Safety Code is amended to read:

17974.1. (a) Notwithstanding any other provision of this part, a city or county that receives a complaint from an occupant of a homeless shelter, or an agent of an occupant, that alleges a

homeless shelter is substandard pursuant to Section 17920.3 shall do all of the following:

(1) Inspect the homeless shelter or portion thereof intended for human occupancy that may be substandard pursuant to Section 17920.3.

(2) Identify whether the homeless shelter or any portion thereof intended for human occupancy is substandard pursuant to Section 17920.3, as applicable. The documentation shall be included in the inspection report described in subdivision (h).

(3) As applicable, advise the owner or operator of a homeless shelter of each violation and of each action that is required to be taken to remedy the violation. The city or county shall schedule a reinspection to verify correction of the violations.

(b) Notwithstanding any other provision of this part, and consistent with Section 17970, a city or county shall perform an annual inspection on every homeless shelter located in its jurisdiction to ensure that the homeless shelter is compliant with this part. A city or county conducting an inspection pursuant to this subdivision shall comply with this section, to the extent those provisions are applicable.

(c) (1) If, upon inspection, the city or county determines that a homeless shelter is substandard pursuant to Section 17920.3, the city or county shall promptly, but not later than 10 business days after the city or county completes the inspection, issue a notice to correct the violation to the owner or operator of the homeless shelter.

(2) In the event that the city or county determines that a violation constitutes an imminent threat to the health and safety of the occupants of the homeless shelter, the notice of violation shall be issued immediately and served on the owner or operator of the homeless shelter.

(3) In the event that the city or county determines that deficiencies, violations, or conditions exist at a homeless shelter that are dangerous, hazardous, imminently detrimental to life or health, or otherwise render the homeless shelter unfit for human habitation, the city or county may issue an emergency order directing the owner or operator to take immediate measures to rectify those deficiencies, violations, or conditions.

(d) An inspection conducted pursuant to this section may be announced or unannounced.

(e) The city or county shall maintain all records on file of each homeless shelter inspection. These records shall be made available to the public for inspection.

(f) A city or county shall perform an inspection conducted pursuant to subdivision (a) at least as promptly as that city or county conducts an inspection in response to a request for final inspection pursuant to Section 110 of Part 2 of Division 2 of Chapter 1 of the California Building Code (Part 2 of Title 24 of the California Code of Regulations).

(g) Notwithstanding subdivision (a), a city or county is not required to conduct an inspection in response to either of the following:

(1) A complaint that does not allege one or more substandard conditions.

(2) A complaint submitted by a tenant, resident, or occupant who, within the past 180 days, submitted a complaint about the same property that the chief building inspector or their designee reasonably determined, after inspection, was frivolous or unfounded.

(h) A city or county shall provide free, certified copies of an inspection report and citations issued pursuant to this section, if any, to the complaining occupant or their agent. If the inspection reveals a condition potentially affecting multiple occupants, including, but not limited to, conditions relating to the premises, common areas, or structural features, then the city or county shall provide free copies of the inspection report and citations issued to all potentially affected occupants or their agents.

(i) A city or county shall not unreasonably refuse to communicate with an occupant or the agent of an occupant regarding any matter covered by this article.

(j) A city or county shall conduct an inspection pursuant to this section based on the location of the homeless shelter, in accordance with the following:

(1) A city shall conduct an inspection for shelters within the city’s jurisdiction.

(2) A county shall conduct an inspection for shelters within the county’s jurisdiction.

(3) A city with a population under 100,000 may partner with its county to conduct an inspection pursuant to this section.

SEC. 34. Section 17974.1.5 is added to the Health and Safety Code, to read:

17974.1.5. (a) A homeless shelter shall prominently display at the shelter information about an occupant's rights and the process for reporting a complaint alleging a homeless shelter is substandard pursuant to Section 17920.3, including the contact information for all of the following:

(1) The owner or operator of the homeless shelter.

(2) The city or county.

(3) The department.

(b) A homeless shelter shall provide in writing the notice specified in subdivision (a) to any new occupant during intake.

SEC. 35. Section 17974.3 of the Health and Safety Code is amended to read:

17974.3. (a) The requirements of this article shall not be construed to impose a mandatory duty pursuant to Section 815.6 of the Government Code, and shall not be construed to affect the availability of any immunity otherwise applicable to the city or county or its employees, including, but not limited to, Sections 818.2, 818.4, 818.6, 820.2, 821, 821.2, and 821.4 of the Government Code.

(b) (1) An action to enforce the requirements of this article may be brought pursuant to Section 1085 of the Code of Civil Procedure.

(2) A plaintiff who prevails in an action described in paragraph (1) shall be entitled to recover reasonable attorney's fees and costs.

(3) Notwithstanding any other law, including any provision of this part authorizing the department to enforce this part by means of administrative enforcement, the department may bring a civil action pursuant to this subdivision in order to enforce this part.

(c) For purposes of Section 1085 of the Code of Civil Procedure, the requirements of this article shall be construed as acts that the law specially enjoins, as a duty resulting from an office, trust, or station.

SEC. 36. Section 17974.5 of the Health and Safety Code is amended to read:

17974.5. (a) Each city and each county shall submit a report annually to the department and the state agency by April 1 of each year that includes all of the following information:

(1) The number of complaints received by the city or county, pursuant to Section 17920.3, including if the city or county did not receive any complaints.

(2) Any pending uncorrected violations determined by the city or county, pursuant to Section 17974.1.

(3) Any determinations by the city or county that conditions exist or existed that make or made the homeless shelter dangerous, hazardous, imminently detrimental to life or health, or otherwise render the homeless shelter unfit for human habitation.

(4) A list of any emergency orders issued pursuant to paragraph (3) of subdivision (c) of Section 17974.1.

(5) A list of any owners or operators who received three or more violations within any six-month period.

(6) Any corrected violations from the prior year.

(b) The report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) If a city or county applies for state funding to support the ongoing operations of a homeless shelter, the city or county shall disclose to the state agency that administers the state funding the status of any unresolved violations pursuant to this article and the names of the homeless shelter owner or operator.

(d) The department or the state agency, may, pursuant to the reported information in subdivision (b), deem an owner or operator of a shelter ineligible for state funding for shelter operations.

(e) The department shall withhold state funding from a city or county that fails to comply with the reporting requirements in this section or fails to take action to correct a violation of this article by a homeless shelter pursuant to Section 17974.4.

SEC. 37. Section 18916 of the Health and Safety Code is amended to read:

18916. "Model code" means any building code drafted by private organizations or otherwise, and shall include, but not be limited to, the latest edition of the following:

(a) The International Building Code of the International Code Council.

(b) The Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials.

(c) The Uniform Mechanical Code of the International Association of Plumbing and Mechanical Officials.

(d) The National Electrical Code of the National Fire Protection Association.

(e) The International Fire Code of the International Code Council.

(f) The International Existing Building Code of the International Code Council.

(g) The International Residential Code of the International Code Council.

(h) The International Wildland-Urban Interface Code of the International Code Council.

SEC. 38. Section 18929.1 of the Health and Safety Code is amended to read:

18929.1. (a) Except as provided in subdivision (c), the commission shall receive proposed building standards from state agencies for consideration in an 18-month code adoption cycle. The commission shall develop regulations setting forth the procedures for the 18-month adoption cycle. The regulations shall ensure all of the following:

(1) Adequate public participation in the development of building standards prior to submittal to the commission for adoption and approval.

(2) Adequate notice, in written form, to the public of the compiled building standards and their justification.

(3) Adequate technical review of proposed building standards and accompanying justification by advisory bodies appointed by the commission.

(4) Adequate time for review of recommendations by advisory bodies prior to action by the commission.

(5) The procedures shall meet the intent of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and Section 18930.

(b) Where this section is in conflict with other provisions of this part, the intent of this section shall prevail.

(c) Commencing October 1, 2025, to June 1, 2031, inclusive, subdivision (a) shall not apply to any building standards affecting residential units and proposed building standards affecting residential units shall not be considered, approved, or adopted by the commission, unless any of the following conditions are met:

(1) The commission deems those changes necessary as emergency standards to protect health and safety.

(2) The building standards are amendments by the State Fire Marshal to building standards within the California Wildland-Urban Interface Code (Part 7 of Title 24 of the California Code of Regulations).

(3) The building standards are proposed for adoption in relation to standards researched pursuant to Section 13108.5.2.

(4) The building standards are proposed for adoption pursuant to Section 17921.9, 17921.11, or 18940.7 of this code, or Section 13558 of the Water Code.

(5) The building standards are necessary to ensure the latest editions of the model codes specified in Section 18916 are incorporated into the triennial edition of the California Building Standards Code, along with any necessary and related state amendments supporting or facilitating the incorporation of the model codes.

(6) The building standards are necessary to incorporate errata or emergency updates to the national model codes specified in Section 18916, along with any necessary and related state amendments supporting or facilitating the incorporation of errata or emergency updates to the model codes.

(7) The building standards under consideration would take effect on or after January 1, 2032.

SEC. 39. Section 18930 of the Health and Safety Code is amended to read:

18930. (a) Except as provided in subdivision (g), any building standard adopted or proposed by state agencies shall be submitted to, and approved or adopted by, the California Building Standards Commission prior to codification. Prior to submission to the commission, building standards shall be adopted in compliance with the procedures specified in Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. Building standards adopted by state agencies and submitted to the commission for approval shall be accompanied by an analysis written by the adopting agency or state agency that proposes the building standards which shall, to the satisfaction of the commission, justify the approval thereof in terms of the following criteria:

(1) The proposed building standards do not conflict with, overlap, or duplicate other building standards.

(2) The proposed building standard is within the parameters established by enabling legislation and is not expressly within the exclusive jurisdiction of another agency.

(3) The public interest requires the adoption of the building standards. The public interest includes, but is not limited to, health and safety, resource efficiency, fire safety, seismic safety, building and building system performance, and consistency with environmental, public health, and accessibility statutes and regulations.

(4) The proposed building standard is not unreasonable, arbitrary, unfair, or capricious, in whole or in part.

(5) The cost to the public is reasonable, based on the overall benefit to be derived from the building standards.

(6) The proposed building standard is not unnecessarily ambiguous or vague, in whole or in part.

(7) The applicable national specifications, published standards, and model codes have been incorporated therein as provided in this part, where appropriate.

(A) If a national specification, published standard, or model code does not adequately address the goals of the state agency, a statement defining the inadequacy shall accompany the proposed building standard when submitted to the commission.

(B) If there is no national specification, published standard, or model code that is relevant to the proposed building standard, the state agency shall prepare a statement informing the commission and submit that statement with the proposed building standard.

(8) The format of the proposed building standards is consistent with that adopted by the commission.

(9) The proposed building standard, if it promotes fire and panic safety, as determined by the State Fire Marshal, has the written approval of the State Fire Marshal.

(b) In reviewing building standards submitted for its approval, the commission shall consider only the record of the proceedings of the adopting agency, except as provided in subdivision (b) of Section 11359 of the Government Code.

(c) Where the commission is the adopting agency, it shall consider the record submitted to, and considered by, the state agency that proposes the building standards and the record of

public comment that results from the commission's adoption of proposed regulations.

(d) (1) The commission shall give great weight to the determinations and analysis of the adopting agency or state agency that proposes the building standards on each of the criteria for approval set forth in subdivision (a). Any factual determinations of the adopting agency or state agency that proposes the building standards shall be considered conclusive by the commission unless the commission specifically finds, and sets forth its reasoning in writing, that the factual determination is arbitrary and capricious or substantially unsupported by the evidence considered by the adopting agency or state agency that proposes the building standards.

(2) Whenever the commission makes a finding, as described in this subdivision, it shall return the standard to the adopting agency or state agency that proposes the building standards for a reexamination of its original determination of the disputed fact.

(e) Whenever a building standard is principally intended to protect the public health and safety, its adoption shall not be a "factual determination" for purposes of subdivision (d). Whenever a building standard is principally intended to conserve energy or other natural resources, the commission shall consider or review the cost to the public or benefit to be derived as a "factual determination" pursuant to subdivision (d). Whenever a building standard promotes fire and panic safety, each agency shall, unless adopted by the State Fire Marshal, submit the building standard to the State Fire Marshal for prior approval.

(f) Whenever the commission finds, pursuant to paragraph (2) of subdivision (a), that a building standard is adopted by an adopting agency pursuant to statutes requiring adoption of the building standard, the commission shall not consider or review whether the adoption is in the public interest pursuant to paragraph (3) of subdivision (a).

(g) Commencing October 1, 2025, to June 1, 2031, inclusive, proposed building standards affecting residential units shall not be considered, approved, or adopted by the commission or any other adopting agency, unless any of the following conditions are met:

(1) The commission deems those changes necessary as emergency standards to protect health and safety.

(2) The building standards are amendments by the State Fire Marshal to building standards within the California Wildland-Urban Interface Code (Part 7 of Title 24 of the California Code of Regulations).

(3) The building standards are proposed for adoption in relation to standards researched pursuant to Section 13108.5.2.

(4) The building standards are proposed for adoption pursuant to Section 17921.9, 17921.11, or 18940.7 of this code, or Section 13558 of the Water Code.

(5) The building standards are necessary to ensure the latest editions of the model codes specified in Section 18916 are incorporated into the triennial edition of the California Building Standards Code, along with any necessary and related state amendments supporting or facilitating the incorporation of the model codes.

(6) The building standards are necessary to incorporate errata or emergency updates to the national model codes specified in Section 18916, along with any necessary and related state amendments supporting or facilitating the incorporation of errata or emergency updates to the model codes.

(7) The building standards are necessary to incorporate updates to accessibility requirements that align with minimum federal accessibility laws, standards, and regulations.

(8) The building standards under consideration would take effect on or after January 1, 2032.

SEC. 40. Section 18938.5 of the Health and Safety Code is amended to read:

18938.5. (a) Only those building standards approved by the commission, and that are effective at the local level at the time an application for a building permit is submitted, shall apply to the plans and specifications for, and to the construction performed under, that building permit.

(b) (1) A local ordinance adding or modifying building standards for residential occupancies, which are published in the California Building Standards Code, shall apply only to an application for a building permit submitted after the effective date of the ordinance and to the plans and specifications for, and the construction performed under, that permit.

(2) Paragraph (1) shall not apply to any of the following:

(A) A city or county that has been subject to an emergency proclaimed pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).

(B) A permit that is subsequently deemed expired because the building or work authorized by the permit is not commenced within 12 months from the date of the permit or the permittee has abandoned the work authorized by the permit.

(C) A permit that is subsequently deemed suspended or revoked because the building official has, in writing, suspended or revoked the permit due to its issuance in error or on the basis of incorrect information supplied.

(c) No model code made applicable to any additional occupancy shall apply to any project that has been submitted for a building permit prior to the effective date of that model code.

(d) Notwithstanding subdivisions (a) to (c), inclusive, the state and local building standards in effect at the time an application for a building permit is submitted, for a residential dwelling based on a model home design approved under those standards, shall apply to all future residential dwellings based on that approved model home design in the same jurisdiction, unless the model home design substantially changes at a later date or 10 years have passed since the building permit for the model home design was approved by the jurisdiction, whichever comes first.

SEC. 41. Section 18941.5 of the Health and Safety Code is amended to read:

18941.5. (a) (1) Amendments, additions, and deletions to the California Building Standards Code, including, but not limited to, green building standards, adopted by a city, county, or city and county pursuant to Section 18941.5 or pursuant to Section 17958.7, together with all applicable portions of the California Building Standards Code, shall become effective 180 days after publication of the California Building Standards Code by the commission, or at a later date after publication established by the commission.

(2) The publication date established by the commission shall be no earlier than the date the California Building Standards Code is available for purchase by the public.

(b) Neither the State Building Standards Law contained in this part, nor the application of building standards contained in this section, shall limit the authority of a city, county, or city and county

to establish more restrictive building standards, including, but not limited to, green building standards, reasonably necessary because of local climatic, geological, or topographical conditions. The governing body shall make the finding required by Section 17958.7 and the other requirements imposed by Section 17958.7 shall apply to that finding. Nothing in this section shall limit the authority of fire protection districts pursuant to subdivision (a) of Section 13869.7. Further, nothing in this section shall require findings required by Section 17958.7 beyond those currently required for more restrictive building standards related to housing.

(c) Notwithstanding subdivision (b), and commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not establish more restrictive building standards, including, but not limited to, green building standards, that are applicable to residential units, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

SEC. 42. Section 18942 of the Health and Safety Code is amended to read:

18942. (a) (1) The commission shall publish, or cause to be published, editions of the code in its entirety once every three years. In the intervening period the commission shall publish, or cause to be published, supplements as necessary. For emergency building standards defined in subdivision (a) of Section 18913, an emergency building standards supplement shall be published whenever the commission determines it is necessary.

(2) Changes adopted during the intervening period described in paragraph (1) shall be limited to only the following:

(A) Technical updates to existing code requirements only to the extent necessary to effectuate support or facilitate the incorporation or implementation of those existing code requirements. The updates shall be limited to clarifying, conforming, or coordinating changes that do not materially alter the substance or intent of the existing code provisions.

(B) Emergency building standards.

(C) Amendments by the State Fire Marshal to building standards within the California Wildland-Urban Interface Code (Part 7 of Title 24 of the California Code of Regulations).

(D) The building standards are necessary to incorporate errata or emergency updates to the national model codes specified in Section 18916, along with any necessary and related state amendments supporting or facilitating the incorporation of errata or emergency updates to the model codes.

(E) Changes or modifications made pursuant to paragraph (6) of subdivision (b) of Section 17958, paragraph (6) of subdivision (c) of Section 17958.5, or paragraph (6) of subdivision (c) of Section 17958.7.

(F) Building standards necessary to incorporate updates to accessibility requirements that align with minimum federal accessibility laws, standards, and regulations.

(b) The commission shall publish the text of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104, within the requirements for single-family residential occupancies contained in Part 2.5 of Title 24 of the California Code of Regulations, with the following note:

"NOTE: These regulations are subject to local government modification. You should verify the applicable local government requirements at the time of application for a building permit."

(c) The commission shall publish the text of Section 116064.2 within Part 2 of Title 24 of the California Code of Regulations.

(d) The commission may publish, stockpile, and sell at a reasonable price the code and materials incorporated therein by reference if it deems the latter is insufficiently available to the

public, or unavailable at a reasonable price. Each state department concerned and each city, county, or city and county shall have an up-to-date copy of the code available for public inspection.

(e) (1) Each city, county, and city and county, including charter cities, shall obtain and maintain with all revisions on a current basis, at least one copy of the building standards and other state regulations relating to buildings published in Titles 8, 19, 20, 24, and 25 of the California Code of Regulations. These codes shall be maintained in the office of the building official responsible for the administration and enforcement of this part.

(2) This subdivision shall not apply to a city or county that contracts for the administration and enforcement of the provisions of this part with another local government agency that complies with this section.

SEC. 43. Section 37001 of the Health and Safety Code is amended to read:

37001. The term "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, does not apply to any development composed of urban or rural dwellings, apartments, or other living accommodations that meets any one of the following criteria:

(a) The development is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities; and not more than 49 percent of the dwellings, apartments, or other living accommodations of the development may be occupied by persons of low income.

(b) The development is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body.

(c) The development is intended for owner-occupancy, which may include a limited equity housing cooperative, as defined in Section 50076.5, or cooperative or condominium ownership, rather than for rental-occupancy.

(d) The development consists of newly constructed, privately owned, one-to-four family dwellings not located on adjoining sites.

(e) The development consists of existing dwelling units leased by the state public body from the private owner of these dwelling units.

(f) The development consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower income households, as defined in Section 50079.5.

(g) The development consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a rental housing development which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

(h) The development consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using any of the following:

(1) Moneys received from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136).

(2) Moneys received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2).

(3) Moneys appropriated and disbursed pursuant to Division 31 (commencing with Section 50000) of this code and Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code.

(4) An allocation of federal or state low-income housing tax credits from the California Tax Credit Allocation Committee.

(5) Moneys appropriated and disbursed pursuant to the Behavioral Health Infrastructure Bond Act of 2024 (Chapter 4 (commencing with Section 5965) of Part 7 of Division 5 of the Welfare and Institutions Code).

SEC. 44. Section 50058.8 is added to the Health and Safety Code, to read:

50058.8. “Capitalized operating reserves” means capitalized funds for assisted units for the purpose of covering potential or projected operating deficits over time, including, but not limited to, operations, supportive services, and rent subsidies.

SEC. 45. Section 50222 of the Health and Safety Code is amended to read:

50222. (a) Beginning in 2021, in addition to the data required on the report under Section 50221, applicants shall provide the following information for both rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the department:

(1) Data collection shall include, but not be limited to, information regarding individuals and families served, including demographic information, information regarding partnerships among entities or lack thereof, and participant and regional outcomes.

(2) The performance monitoring and accountability framework shall include clear metrics, which may include, but are not limited to, the following:

(A) The number of individual exits to permanent housing, as defined by the United States Department of Housing and Urban Development, from unsheltered environments and interim housing resulting from this funding.

(B) Racial equity, as defined by the department in consultation with representatives of state and local agencies, service providers, the Legislature, and other stakeholders.

(C) Any other metrics deemed appropriate by the department and developed in coordination with representatives of state and local agencies, advocates, service providers, and the Legislature.

(3) Data collection and reporting requirements shall support the efficient and effective administration of the program and enable the monitoring of jurisdiction performance and program outcomes.

(b) Based on the data collection, reporting, performance monitoring, and accountability framework established by the department pursuant to subdivision (a), all recipients of a program allocation, no later than April 1 of the year following receipt of funds, and annually on that date thereafter until all funds have been expended, shall submit a report to the department in a format provided by the department.

(c) No later than April 1, 2027, each recipient that receives a round 2 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(d) Data collection and data sharing pursuant to this chapter shall be conducted and maintained in accordance with all applicable state and federal privacy and confidentiality laws and regulations.

(e) The client information and records of services provided pursuant to this chapter shall be subject to the requirements of Section 10850 of the Welfare and Institutions Code and shall be exempt from inspection under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Part 1 of the Government Code).

(f) Notwithstanding any other law, data collected through the administration and operation of this chapter shall be captured based on the Homeless Management Information System data standards set forth by the United States Department of Housing and Urban Development and by any other means specified by the department, and may be shared with other programs to maximize the efficient and effective provision of public benefits and services, and to evaluate this chapter or its impact on other public benefit and services programs.

SEC. 46. Section 50223 of the Health and Safety Code is amended to read:

50223. (a) In addition to the data required under Sections 50221 and 50222, applicants shall provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the department:

(1) (A) Data on the applicant's progress towards meeting their system performance measures, which shall be submitted annually on April 1 of each year reporting through December 31 of the prior year for the duration of the program.

(B) If the applicant has not made significant progress toward their system performance measures, the applicant shall submit a description of barriers and possible solutions to those barriers.

(C) Applicants that do not demonstrate significant progress towards meeting system performance measures shall accept technical assistance from the department and may also be required to limit the allowable uses of these program funds, as determined by the department.

(2) A monthly fiscal report of program funds expended and obligated in each allowable budget category approved in their application for program funds.

(b) No later than April 1, 2027, each recipient that receives a round 3 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(c) No later than April 1, 2028, each recipient that receives a round 4 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(d) No later than April 1, 2029, each recipient that receives a round 5 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(e) No later than April 1, 2030, each recipient that receives a round 6 allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(f) The department shall post the information described in this section on its internet website within 30 days of its receipt of the information, and provide notice to the Senate Committee on Housing, Assembly Committee on Housing and Community Development, and the appropriate budget committees.

SEC. 47. Section 50253 of the Health and Safety Code is amended to read:

50253. (a) The council shall administer the funding round 1 moneys of the program in accordance with the following timelines:

(1) The council shall make a program application available no later than October 31, 2021.

(2) Applications shall be due to the council no later than December 31, 2021.

(3) The council shall make initial award determinations no later than March 1, 2022.

(4) If not all funds have been awarded after the first round of grant awards, the council may accept additional applications and make additional awards until all funds have been allocated.

(b) (1) Recipients of funding round 1 moneys shall expend at least 50 percent of their allocation by June 30, 2023.

(2) Recipients who fail to expend their allocated funds in compliance with this subdivision shall return to the council no less than 25 percent of their total allocation amount for reallocation by the council during subsequent rounds of funding.

(c) Recipients of funding round 1 moneys shall expend all program funds no later than June 30, 2024. Any funds not expended by this date shall be returned to the council to be reallocated pursuant to Section 50252.1.

(d) (1) Recipients of additional funding round moneys pursuant to subdivision (b) of Section 50252.1 shall expend at least 50 percent of their allocation within two fiscal years of the date of the award. Any funds not expended by this date shall be returned to the council and reallocated pursuant to Section 50252.1.

(2) Recipients of additional funding round moneys pursuant to subdivision (b) of Section 50252.1 shall obligate 100 percent of their allocation within two fiscal years of the date of the award.

(3) Recipients that do not meet requirement in paragraph (2) shall submit to the council within 60 days of the end of the second fiscal year a plan for obligating 100 percent of their allocation within six months.

(4) The council may subject recipients that do not meet the requirement in paragraph (2) to additional corrective action determined by the council.

(5) Recipients of additional funding round moneys pursuant to subdivision (b) of Section 50252.1 shall expend all program funds within three fiscal years of the date of the award. Any funds not expended by this date shall revert to the fund of origin.

(e) (1) Recipients of additional funding round moneys pursuant to subdivision (c) of Section 50252.1 shall expend at least 50 percent of their allocation within two fiscal years of the date of the award.

(2) Recipients of additional funding round moneys pursuant to subdivision (c) of Section 50252.1 shall obligate 100 percent of their allocation within two fiscal years of the date of the award.

(3) Recipients that do not meet the requirement in paragraph (2) shall submit to the council within 60 days of the end of the second fiscal year a plan for obligating 100 percent of their allocation within six months.

(4) The council may subject recipients that do not meet the requirement in paragraph (2) to additional corrective action determined by the council.

(5) Recipients of additional funding round moneys pursuant to subdivision (c) of Section 50252.1 shall expend all program funds

within four fiscal years of the date of the award. Any funds not expended by this date shall revert to the fund of origin.

SEC. 48. Section 50406.4 is added to the Health and Safety Code, to read:

50406.4. Notwithstanding any other law, and to the extent permitted under federal law and the California Constitution, the department shall allow an owner of a property subject to a regulatory agreement with the department to take out additional debt on the development to finance, with the department's approval, rehabilitation of the property or investment in new affordable housing, if all of the following conditions are met:

(a) (1) All hard debt, including the additional debt, is underwritten with a debt-service coverage ratio of at a minimum 1.15 and is demonstrated to project positive cash flow for 15 consecutive years.

(2) For the purposes of this subdivision, "hard debt" means debt that must be repaid via an amortizing payment or at a specified maturity date.

(b) Any new debt is subordinate to the department's lien and regulatory agreement, as applicable, unless the department reasonably determines that subordination of the department's lien is necessary for the feasibility of a project and to fund reasonable rehabilitation or improvements, including soft costs.

(c) (1) Any extracted equity is any of the following:

(A) With the department's approval, contributed to other projects that will increase or improve the supply of deed-restricted affordable housing serving low-income households in the state.

(B) Utilized in the purchase of a limited partner interest of a tax credit investor in the project, provided that the amount used to purchase that interest shall be subject to the guidelines adopted pursuant to subdivision (h) of 50560.

(C) Utilized in the payment of any unpaid deferred developer fee for the project pursuant to any applicable department regulations.

(D) Applied toward payment for necessary repairs and rehabilitation of the project.

(E) Utilized for the establishment or replenishment of department-approved project reserves.

(F) Utilized for any other purposes approved by the department.

(2) For the purposes of this subdivision, "extracted equity" means debt added to a department-regulated property that is not used for any of the following purposes:

(A) Approved project rehabilitation work.

(B) To pay off existing debt.

(C) Replenishment of reserves.

(D) Other department-approved project specific uses.

(d) The department's regulatory agreement remains in place for the project for its remaining term. If equity is extracted for purposes of paragraph (1) of subdivision (c), the department's regulatory agreement will be recorded in a senior position.

(e) The department continues to be entitled to receive monitoring fees to ensure compliance with the existing regulatory agreement.

SEC. 49. Section 50410 is added to the Health and Safety Code, to read:

50410. (a) There is hereby established in the State Treasury the Affordable Housing Default Reserve Account. All interest or other increments resulting from the investment of moneys in the Affordable Housing Default Reserve Account shall be deposited in the account, notwithstanding Section 16305.7 of the Government Code.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the account are continuously appropriated to the department for the purpose of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted by the department.

(c) The department may use funds in the account to repair or maintain any rental housing development assisted by the department that was acquired to protect the department's security interest.

(d) The payment or advance of funds by the department from the account shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds.

(e) The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.

(f) Notwithstanding any other law, the Department of Finance may transfer to the Affordable Housing Default Reserve Account, for expenditure by the department, the amounts in the all of the following funds or programs:

(1) The Joe Serna, Jr. Farmworker Housing Grant Fund, pursuant to Section 50517.6.

(2) The Multifamily Housing Program, pursuant to subdivision (a) of Section 50675.10.

(3) The Housing Rehabilitation Loan Fund, pursuant to subparagraph (C) of paragraph (5) of subdivision (b) of Section 50668.5, subdivision (c) of Section 53566, subdivision (c) of Section 987.010 of the Military and Veterans Code, and subdivisions (c) and (f) of Section 75218 of the Public Resources Code.

(4) The Transit-Oriented Development Implementation Fund, pursuant to subdivision (f) of Section 53566.

(5) The Housing for Veterans Fund, pursuant to subdivision (f) of Section 987.010 of the Military and Veterans Code.

(6) The No Place Like Home Fund, pursuant to paragraph (1) of subdivision (f) of Section 5849.8 of the Welfare and Institutions Code.

(7) The Family Housing Demonstration Account and the Rental Housing Construction Fund, pursuant to subdivision (b) of Section 50883.5.

(g) Notwithstanding Section 10231.5 of the Government Code, during any fiscal year, if the department spends a total of more than 25 percent of the balance that was in the Affordable Housing Default Reserve Account at the start of that fiscal year, then the department shall, within 30 days of surpassing that amount, provide written notice to the Joint Legislative Budget Committee. The notice shall include all of the following:

(A) The starting balance in the Affordable Housing Default Reserve Account for that fiscal year.

(B) A list of each expenditure made during that fiscal year and the total amount spent.

(C) The purpose of each expenditure made during that fiscal year.

(D) The balance in the Affordable Housing Default Reserve Account as of the date of the notice.

(E) The department's assessment of the risk of additional defaults for the remainder of that fiscal year and the following fiscal year.

SEC. 50. Section 50515.10 of the Health and Safety Code is amended to read:

50515.10. (a) (1) Subject to paragraph (2), an eligible entity that receives an allocation of program funds pursuant to Section 50515.08 shall submit a report, in the form and manner prescribed by the department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that includes, but is not limited to, the following information:

(A) The status of the proposed uses and expenditures listed in the eligible entity's application for funding and the corresponding impact, including, but not limited to, housing units accelerated and reductions in per capita vehicle miles traveled.

(B) All status and impact reports shall be categorized based on the eligible uses specified in Section 50515.08.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

(1) The name of each applicant for program funds and the status of that entity's application.

(2) The number of applications for program funding received by the department.

(3) The information described in subdivision (a) for each recipient of program funds.

(c) A recipient of funds under this program shall post, make available, and update, as appropriate on its internet website, land use maps and vehicle miles traveled generation maps produced in the development of its adopted sustainable communities strategy.

(d) A recipient of funds under this program shall collaborate and share progress, templates, and best practices with the department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent eligible entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate housing and transportation planning across regions.

(e) (1) A recipient of funds under the program shall expend those funds no later than December 31, 2026.

(2) The final invoice submission deadline to reimburse those funds shall be June 30, 2027.

(3) No later than June 30, 2027, each eligible entity that receives an allocation of funds pursuant to Section 50515.08 shall submit a final report on the use of those funds to the department, in the form and manner prescribed by the department. The report required by this paragraph shall include an evaluation of actions taken in support of the entity's proposed uses of those funds, as specified in the entity's application, including, but not limited to, housing units accelerated and per capita reductions in vehicle miles traveled.

(f) (1) If an eligible entity described in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 50515.08 that received an allocation of funds pursuant to Section 50515.08 has unexpended funds after December 31, 2026, the department may, pursuant to procedures prescribed by the department, make those funds available to other eligible entities described in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 50515.08 for reimbursement of other expenditures incurred prior to December 31, 2026, that were included in an application approved pursuant to paragraph (2) of subdivision (c) of Section 50515.08 no later than December 31, 2027.

(2) Paragraph (1) applies to all eligible entities, including an eligible entity that received a suballocation from an eligible entity described in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 50515.08.

(g) The department may monitor expenditures and activities of an applicant, as the department deems necessary, to ensure compliance with program requirements.

(h) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(i) The department, in collaboration with the Office of Land Use and Climate Innovation, the Strategic Growth Council, and the State Air Resources Board, may implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, and one or more notices of funding availability, as the department deems necessary, to exercise

the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, application materials, funding allocation methodologies, or notices of funding availability prepared or adopted pursuant to this section are exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(j) The department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, shall be final.

SEC. 51. Section 50560 of the Health and Safety Code is amended to read:

50560. (a) Subject to the requirements of this chapter, the department may approve an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, the payoff of a department loan in whole or part before the end of its term, the extraction of equity from a development for purposes set forth in subdivision (c) of Section 50406.4, or an investment of tax credit equity under one or more of the following rental housing finance programs: the original Rental Housing Construction Program established by Chapter 9 (commencing with Section 50735), the Special User Housing Rehabilitation Program established by Section 50670, the Deferred-Payment Rehabilitation Loan Program established by Chapter 6.5 (commencing with Section 50660), the rental component of the California Natural Disaster Assistance Program established by Chapter 6.5 (commencing with Section 50671), the State Earthquake Rehabilitation Assistance Program established by Chapter 6.5 (commencing with Section 50671), the rental component of the California Housing Rehabilitation Program established by Section 50668.5, the component of the Rental Housing Construction Program funded with bond proceeds governed by Section 50771.1, the Family Housing Demonstration Program established by Chapter 15 (commencing with Section 50880), the Families Moving to Work Program established by Chapter 15 (commencing with Section 50880), the Multifamily Housing Program established by Chapter 6.7 (commencing with

Section 50675), and any and all other multifamily housing loans funded or monitored by the department.

(b) Once the department has approved a loan extension, reinstatement of a qualifying unpaid matured loan, subordination, payoff of a department loan in whole or part before the end of its term, extraction of equity from a development for purposes set forth in subdivision (c) of Section 50406.4, or tax credit investment pursuant to this chapter, the statutes enumerated in subdivision (a), and the regulations or guidelines promulgated pursuant to these statutes, shall no longer apply to developments restructured pursuant to this chapter. These developments shall instead be governed by this chapter and guidelines adopted pursuant to subdivision (h).

(c) All projects restructured pursuant to this chapter shall comply with the affirmative marketing and language accessibility requirements set forth in Section 50736 of this code and Section 65863 of the Government Code.

(d) The department may approve an extension of a loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, the payoff of a department loan in whole or part before the end of its term, the extraction of equity from a development for purposes set forth in subdivision (c) of Section 50406.4, or an investment of tax credit equity if it determines that the project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the department's regulatory agreement. Eligible uses of loan and equity sources under this subdivision include, but are not limited to, the purchase of a limited partner interest of a tax credit investor in the project, payment of any unpaid deferred developer fee for the project, payment for necessary repairs and rehabilitation of the project, and the establishment or replenishment of department-approved project reserves.

(e) The department may subordinate its loan to refinance existing senior debt for eligible activities pursuant to subdivision (d) and to reimburse borrower advances for predevelopment costs, unreimbursed capital improvements, and unreimbursed operating deficits, only if it determines that the department's security is not negatively impacted and the requirements of Section 50406.4 are satisfied, and provided that the reimbursements shall be subject to

the guidelines adopted pursuant to subdivision (h) of Section 50560. The department shall not withhold consent unreasonably.

(f) If the extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity will result in a rent increase for tenants of a development exceeding the annual adjustment to the tenants' rents under the department's regulatory agreement, except as reasonably necessary, in the sole discretion of the department, for the feasibility of the project, the department may only subordinate a loan to senior debt if necessary for the feasibility of a project and to fund reasonable rehabilitation or improvements including soft costs. The application to refinance shall include a third-party analysis that supports the need for refinancing. The department shall not approve the extraction of equity from a development for purposes set forth in paragraph (1) of subdivision (c) of Section 50406.4, if it will result in a rent increase for tenants of a development exceeding the annual adjustment to the tenants' rents under the department's regulatory agreement.

(g) The department may approve additional senior debt only as necessary for eligible activities pursuant to subdivision (d), and only as necessary to finance rehabilitation or repairs, including soft costs, that are reasonable in size, scope, and cost, as determined by the department. In approving additional senior debt, the department may consider information from third-party capital needs assessment reports.

(h) It is the intent of the Legislature in enacting this chapter to provide to the department the flexibility necessary to maintain the quality of the affordable rental housing units for which the state has already made a significant public investment. The department may implement this chapter through guidelines that shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These guidelines shall be developed through the following process:

(1) The department shall provide a notice of proposed action as described in Section 11346.5 of the Government Code to the public at least 21 days before the close of the public comment period.

(2) The department shall schedule at least one public hearing as described in Section 11346.8 of the Government Code before the close of the public comment period.

(3) The department shall maintain a rulemaking file as described in Section 11347.3 of the Government Code.

(4) The final version of the guidelines shall be accompanied by a final statement of reason as described in subdivision (a) of Section 11346.9 of the Government Code.

(5) The rules and guidelines shall be effective immediately upon adoption by the department.

SEC. 52. Section 50561 of the Health and Safety Code is amended to read:

50561. (a) The department may approve an extension of an existing rental housing development loan or regulatory agreement, if the extension facilitates the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, the extraction of equity from a development for purposes set forth in subdivision (c) of Section 50406.4, or an investment of tax credit equity, only if the rental housing development is being operated in a manner consistent with the regulatory agreement and the development requires an extension in order to continue to operate in a manner consistent with this chapter. Each extension shall be for a period of not less than 10 years and each extension shall not exceed 55 years, or 58 years if needed to match the term of tax credit restrictions. The interest rate shall be 3 percent simple interest. All loan payments shall be deferred for the full term of the loan, except for residual receipts payments. These residual receipts payments shall be structured to avoid reducing the amount of payments on local public agency loans resulting solely from changes in the payment terms on the department's loan, and not resulting from fees or other payments to the borrower, and shall otherwise be consistent with the provisions of the department's Uniform Multifamily Regulations or successor regulations. The department may charge a monitoring fee to cover the aggregate monitoring costs it incurs from the date of the recordation of the loan or regulatory documents regarding any of the eligible activities pursuant to this subdivision, and may charge a transaction fee or other fee to cover its costs for processing restructuring transactions. The monitoring fees shall continue until the end of the term of the department regulatory agreement, notwithstanding any payoff of the department loan, and the monitoring fees shall not be diminished in the event of any paydown of the department loan. The department may waive or defer some or all fees, if it

determines that a particular development or class of developments does not have the ability to make these payments, or if necessary, in the sole discretion of the department, for the feasibility of the project. In determining the fees and payments to be charged, the department shall seek to share monitoring activities with other regulatory agencies and to minimize the impact on tenants with the lowest incomes and on the capacity of the developments to support private debt or secure tax credit investments.

(b) To the minimum extent necessary to support new debt to pay for rehabilitation, but not for extraction of equity, rents for assisted units in these developments may be adjusted pursuant to the department guidelines and Section 42 of the Internal Revenue Code. This rehabilitation shall be determined by the department to be demonstrably necessary, based on third-party assessment and on the department's own inspection, if the department deems an inspection necessary. Assisted units in developments with a specific, department-approved plan to undertake the necessary rehabilitation, at a level that equals or exceeds the minimum per-unit rehabilitation cost standards under the low-income housing tax credit program, may be adjusted as follows:

(1) For developments originally financed under the bond-funded component of the Rental Housing Construction Program pursuant to Section 50771.1, and the Family Housing Demonstration Program, rents may be increased up to a maximum of 30 percent of 60 percent of area median income, for units designated in the development's original regulatory agreement as lower income units, and up to a maximum of 30 percent of 35 percent of area median income, for units designated in the development's original regulatory agreement as very low income units.

(2) For developments originally financed under other programs that calculate income levels and rent limits consistent with the calculation methodology used under the low-income housing tax credit program and the Multifamily Housing Program, the income and rent limits under those programs shall be preserved in accordance with the applicable requirements of those programs, and rent increases shall be subject to the applicable requirements of those programs, all to the extent that the income, rent, and rent increase requirements continue to apply to the developments under those programs.

(3) Developments originally financed under other programs that require formula-based rents for at least 35 percent of the assisted units, or as specified in the original regulatory agreement governing the development, whichever is greater, shall be restricted to the midlevel target used by the Multifamily Housing Program. Rents for the balance of the assisted units may be increased up to a maximum of 30 percent of 60 percent of area median income. For purposes of this paragraph, "midlevel target used by the Multifamily Housing Program" shall mean either of the following:

(A) For counties with an area median income of 110 percent or less of state median income, it shall mean 30 percent of 30 percent of state median income, expressed as a percentage of area median income.

(B) For counties with an area median income that exceeds 110 percent of the state median income, it shall mean 30 percent of 35 percent of state median income, expressed as a percentage of area median income.

(c) Rent increases for tenants living in assisted units at the time of restructuring pursuant to this chapter shall be limited as follows:

(1) For existing tenants with incomes not exceeding 35 percent of area median income, increases shall be limited to 5 percent per year, until the rents reach the levels set under subdivision (b).

(2) For existing tenants with incomes exceeding 35 percent of area median income, increases shall be limited to 10 percent per year, until they reach the levels specified in paragraphs (1) and (2) of subdivision (b) of Section 50561.

(3) It is the intent of the Legislature that rent increases for existing tenants authorized by this subdivision shall not be greater than necessary to ensure the financial feasibility of the project. The projected maximum rent for tenants in assisted units, as determined by subdivision (b), shall not exceed 50 percent of the household's actual income. This requirement shall be applied using maximum rent levels and household incomes determined at the time of restructuring or at the time of the department's approval of the restructuring.

(4) If the refinance of a loan results in a rent increase, the project sponsor shall provide tenants with the following notifications:

(A) Notice six months before the scheduled rent increase with an estimate of the amount of the increase.

(B) Notice 90 days before the actual increase with the exact amount of the new rent.

(d) If existing tenants move, the rent for these units may be increased immediately up to the level specified in paragraphs (1), (2), and (3) of subdivision (b). The income limit for new tenants shall correspond with the rent limit set pursuant to paragraphs (1), (2), and (3) of subdivision (b).

(e) Once rents achieve the levels set forth in paragraphs (1), (2), and (3) of subdivision (b), income levels and rent limits shall be calculated consistent with the calculation methodology used under the Low Income Housing Tax Credit program and the Multifamily Housing Program, and rent increases shall be based on increases in the area median income.

(f) Eligible households displaced as a result of rehabilitation pursuant to this section shall be accorded first priority in occupying comparable units in the development from which they were displaced, subsequent to rehabilitation. Tenants of rental housing developments repaired with assistance provided under this chapter who are temporarily or permanently displaced as a result of rehabilitation or other repair work, shall be entitled to relocation benefits pursuant to, and subject to, the requirements of Section 7260 of the Government Code. Sponsors of assisted rental housing developments shall be responsible for providing the benefits and assistance. The costs of the benefits and the assistance provided to tenants shall be eligible for funding by a loan provided pursuant to this section.

(g) The guidelines adopted by the department pursuant to subdivision (h) of Section 50560 shall be patterned after the regulations governing the Multifamily Housing Program, including the Uniform Multifamily Regulations, except that the department may adopt different standards for the following factors:

(1) Commercial vacancy loss assumptions must reflect project operating history.

(2) Debt service coverage ratios.

(3) Payment terms and principal amount of senior debt, considering financial market conditions, including costs and department risk, as determined by the department.

(4) Developer fee limitations shall be consistent with California Tax Credit Allocation Committee regulations for inclusion in the basis for projects receiving 9 percent tax credits, for projects

receiving the special rent increases contemplated by this chapter, and, consistent with the requirements of other funding sources, for projects not receiving special rent increases, but developer fees shall not exceed the amount allowed by the California Tax Credit Allocation Committee regulations for projects receiving 9 or 4 percent tax credits, as applicable, and shall not exceed 25 percent of actual rehabilitation costs where there is no tax credit resyndication. Developer fees shall only be payable in the event of a resyndication involving major rehabilitation, as defined by the California Tax Credit Allocation Committee in regulations.

(5) Replacement reserve deposit amounts must be based on projected costs over 20 years, adjusted for inflation, and as shown in an independent replacement reserve analysis.

(h) It is the intent of the Legislature in enacting this section that the department shall manage its reserves for the original Rental Housing Construction Program in a manner that will allow for the continuation of benefits to current low-income tenants for the longest period of time possible up to the term of the original regulatory agreement or the depletion of the annuity funds, whichever occurs first. Accordingly, rents for those households in units subsidized by the annuity fund established pursuant to Section 50748 may be increased to 30 percent of household income. A household affected by the rent increase permitted by this subdivision shall be given at least 90 days advanced notice of the increase.

(i) (1) The department shall, within available resources, post on its internet website information regarding household incomes and rents for developments approved for restructuring.

(2) The information shall be provided within six months of a restructuring and, thereafter, no less than every three years.

(3) The information shall include the following or similar information:

(A) The monthly rent of each household at the time of restructuring.

(B) The current monthly rent of each household.

(C) The annual income of each household as a percentage of area median income at the time of restructuring.

(D) The current income of each household as a percentage of area median income.

SEC. 53. Section 50562 of the Health and Safety Code is amended to read:

50562. (a) If a department loan is extended, subordinated, or paid off before the end of its term, the department approves the reinstatement of a qualifying unpaid matured loan, the department approves the extraction of equity from a development, or a new tax credit investment occurs, then the department shall enter into a new regulatory agreement with the development's owner, or amend the existing agreement, and may add another regulatory agreement if the department determines it necessary. The agreement shall be binding upon the development's owner and successors in interest upon sale or transfer of the development property, regardless of any prepayment of the loan. The agreement shall be recorded in the office of the county recorder in the county in which the development is located. The new or amended regulatory agreement shall:

(1) Set standards for tenant selection to ensure occupancy by the eligible households.

(2) Govern the terms of occupancy agreements.

(3) Restrict rents for assisted units, consistent with this chapter, and require reports to confirm all of the following:

(A) Compliance with these rent restrictions.

(B) The qualification of tenants under applicable income restrictions consistent with this chapter.

(C) The special populations being served.

(D) That any required tenant services are being provided consistent with this chapter.

(4) Provide for periodic inspections by the department.

(5) Require occupancy and financial reports, and financial audits for the development, unless waived by the department if the department loan is paid off and the waiver may be rescinded in the sole determination of the department.

(6) Govern the use of operating income for the development, unless waived by the department if the department loan is paid off and the waiver may be rescinded in the sole determination of the department.

(7) Govern the use of reserves for the development, unless waived by the department if the department loan is paid off and the waiver may be rescinded in the sole determination of the department.

(8) Have a term for not less than the term of the loan, including any extension.

(9) Include other provisions necessary to carry out the purposes of this chapter.

(b) The development's owner shall agree to replace or amend any other loan document to accomplish the purposes of this chapter.

SEC. 54. Section 53560 of the Health and Safety Code is amended to read:

53560. (a) There is hereby established the Transit-Oriented Development Implementation Program, to be administered by the Department of Housing and Community Development, to provide local assistance to cities, counties, cities and counties, transit agencies, eligible tribal applicants as defined in subdivision (b) of Section 50651, and developers for the purpose of supporting the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure, including projects within close proximity to transit stations or projects that could increase public transit ridership.

(b) The department may adopt additional guidelines to administer this part. Guidelines adopted pursuant to this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(c) The guidelines in subdivision (b) shall emphasize the importance of long-term affordability. Prioritization among affordable housing projects shall be based on all of the following:

(1) Affordability, with highest priority given to projects that include a greater percentage of units restricted to lower income households, as defined in Section 50079.5.

(2) Affordable housing projects that result in improved vehicle miles traveled efficiency with committed state or federal funding in need of gap funding to begin construction.

(3) Affordable housing projects that demonstrate project readiness, as determined by the department.

(d) The guidelines in subdivision (b) may evaluate how publicly owned land, including state and local surplus properties, can be prioritized or leveraged to support affordable housing or related infrastructure projects eligible for funding pursuant to this section, with the goal of maximizing public benefit and reducing overall development costs.

SEC. 55. Section 53562 of the Health and Safety Code is amended to read:

53562. (a) To the extent that funds are available, the department may make grants to cities, counties, cities and counties, eligible tribal applicants as defined in subdivision (b) of Section 50651, or transit agencies for the provision of infrastructure necessary for the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure project. Any award of program funds as a grant shall be made pursuant to (1) the priority order set forth in paragraph (1) of subdivision (c) of Section 21080.44 of the Public Resources Code and (2) considerations, including, but not limited to, the discretionary considerations set forth in paragraph (2) of subdivision (c) of Section 21080.44 of the Public Resources Code. Any award may be made either through a competitive or over-the-counter basis.

(b) To the extent that funds are available, the department may make repayable loans or forgivable loans for the development and construction of vehicle miles traveled-efficient affordable housing. Any award of repayable loans or forgivable loans shall be made pursuant to (1) the priority order set forth in paragraph (1) of subdivision (c) of Section 21080.44 of the Public Resources Code and (2) considerations, including, but not limited to, the discretionary considerations set forth in paragraph (2) of subdivision (c) of Section 21080.44 of the Public Resources Code.

(c) For vehicle miles traveled-efficient affordable housing projects, to be eligible for a grant pursuant to subdivision (a) or a repayable loan or forgivable loan pursuant to subdivision (b), the housing development project shall meet all of the following:

(1) At least 20 percent of the units in the proposed development shall be made available at an affordable rent or at an affordable housing cost to persons of very low or low income for at least 55 years. The project shall be subject to an affordability requirement under which not less than 20 percent of the total units shall be restricted to lower income households, as defined in Section 50079.5, for a period of not less than 55 years. If the project is subject to any other public funding, regulatory agreement, or financial assistance that imposes an affordability requirement that exceeds 20 percent of the total units, then the project shall comply with the requirements associated with that funding source.

(2) A housing development project may include a mixed-use development consisting of residential and nonresidential uses.

(3) Meet minimum density requirements, as established by the department.

(4) If applicable, demonstrate consistency with the applicable region's sustainable communities strategy adopted pursuant to Section 65080 of the Government Code or alternative planning strategy pursuant to Section 65080 of the Government Code.

(5) Meet any other threshold requirement established by the department.

(d) With respect to grants made pursuant to subdivision (a) or repayable loans or forgivable loans pursuant to subdivision (b) for the development of rental housing, the department may do any or a combination of the following:

(1) Make program funds available at the same time it makes funds, if any, available under the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(2) Rate and rank applications in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this subdivision in addition to those used in the Multifamily Housing Program.

(3) Administer funds in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2). However, in furtherance of the purposes of the Transit-Oriented Development Implementation Program, the department may alternatively accept applications on an over-the-counter basis and confirm compliance with threshold requirements in order to make awards of Transit-Oriented Development Implementation Program funds.

(e) (1) With respect to loans for the development of owner-occupied housing, the department shall do all of the following:

(A) Make funds available at the same time it makes funds, if any, available under the CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2).

(B) Rate and rank applications in a manner consistent with the CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2), except that the department may establish additional

point categories for the purposes of rating and ranking applications that seek funding pursuant to this subdivision in addition to those used in the CalHome Program.

(C) Administer funds in a manner consistent with the CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2).

(2) Notwithstanding paragraph (1), for the purposes of the program established pursuant to Section 21080.44 of the Public Resources Code, the department shall ensure that administration of the CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2) aligns with the affordability objectives, eligible uses, availability of grants or loans, and timing requirements of the Transit-Oriented Development Implementation Program.

(f) With respect to any moneys appropriated or allocated for the purposes of this part, the department shall determine the amounts, if any, to be made available for each of the purposes described in subdivisions (a) to (e), inclusive.

(g) Only applications meeting the applicable threshold requirements of subdivisions(a) to (e), inclusive, shall be eligible to receive funds pursuant to this part.

(h) As used in this part, “infrastructure” may include any or a combination of paragraphs (1) to (3), inclusive.

(1) Capital improvements required by a city, county, city and county, eligible tribal applicant as defined in subdivision (b) of Section 50651, transit agency, or special district as a condition for the development of the affordable housing, including but not limited to, sewer or water system upgrades, streets, construction of drainage basins, utility access, connection or relocation, and noise mitigation.

(2) Capital improvements that clearly and substantially enhance public pedestrian or bicycle access from one or more specifically identified housing developments within the areas identified in paragraph (1) of subdivision (c) of Section 21080.44 of the Public Resources Code, including, but not limited to, pedestrian walkways, plazas, or mini-parks, signal lights, streetscape improvements, security enhancements, bicycle lanes, intelligent transportation, and information systems.

(3) Capital improvements for the construction, rehabilitation, as defined in Section 50096, including improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability, acquisition, or other physical

improvement that is an integral part or necessary to facilitate the development of the housing development.

SEC. 56. Section 53568 is added to the Health and Safety Code, to read:

53568. (a) The Office of Land Use and Climate Innovation shall, subject to appropriation, and, with the agreement of the Regents of the University of California, contract with the University of California to conduct an evaluation of the mitigation measures used by projects participating in the TOD Implementation Program to reduce vehicle miles traveled. The evaluation shall summarize the different categories of mitigation measures utilized across regions, the types of projects implementing those measures, the estimated annual vehicle miles traveled reductions achieved, total costs to construct or implement the mitigation measures, project-level funding contributions, cost per vehicle miles traveled reduced, and per capita vehicle miles traveled reduction.

(b) The evaluation shall also assess how the mitigation measures used under the Transit-Oriented Development Implementation Program complement other vehicle miles traveled mitigation options and strategies.

(c) The Office of Land Use and Climate Innovation shall complete this evaluation and submit, in compliance with Section 9795 of the Government Code, a report to the Legislature on or before July 1, 2031.

~~SEC. 57. Section 1770.1 is added to the Labor Code, to read:~~

~~1770.1. (a) Notwithstanding any other law, the Director of Industrial Relations shall not consider wages for work on any housing development project, as defined in Section 65589.5 of the Government Code, in the determination of the prevailing rate of per diem wages pursuant to Section 1770, in accordance with the standards set forth in Section 1773.~~

~~(b) Notwithstanding subdivision (a), a housing development project, as defined in Section 65589.5 of the Government Code, that is subject to this article shall be paid in accordance with the requirements of this article.~~

~~SEC. 58.~~

SEC. 57. Section 21080.43 is added to the Public Resources Code, to read:

21080.43. The Legislature finds and declares all of the following:

(a) The Legislature reaffirms that the California Environmental Quality Act (CEQA) established longstanding legal requirements for the imposition of mitigation measures on projects.

(b) Specifically, CEQA requires that mitigation measures:

(1) Be feasible, meaning capable of being accomplished in a successful manner within a reasonable timeframe, taking into account economic, environmental, legal, social, and technological factors.

(2) Be roughly proportional to the impacts of the project.

(3) Be supported by substantial evidence demonstrating a reasonable relationship, or "nexus," between the mitigation and the impact it is intended to address.

(c) The Legislature further reaffirms that mitigation frameworks, including those aimed at addressing cumulative impacts such as vehicle miles traveled, must comply with these longstanding requirements that provide legal certainty, and equitable treatment of projects.

(d) Guidelines shall be developed in a manner that reflects and upholds these established principles.

(e) The Legislature further finds that existing guidance has been established in CEQA guidelines and subsequent technical advisories for addressing transportation impacts under CEQA. Impact analysis under CEQA is a dynamic process, continually informed by advancements in research, data, and practice. Currently, the Department of Transportation is developing updated methodologies for analyzing transportation impacts in rural settings, which are expected to be published on or before July 1, 2026. It is the intent of the Legislature that these ongoing efforts be integrated into relevant guidance for addressing transportation impacts that promote more effective practices statewide.

(f) It is the intent of Legislature that lead agencies ensure that vehicle miles traveled mitigation is achieved through a balanced approach by ensuring a project invests in multiple types of mitigation measures when working to reduce the vehicle miles traveled impacts of a project.

(g) It is the intent of the Legislature that this program serve as one optional strategy that a project applicant may use to mitigate a significant transportation impact under CEQA. The program established pursuant Section 21080.44 is intended to facilitate an existing category of mitigation, specifically, the development of

vehicle miles traveled-efficient affordable housing or related infrastructure, by providing a streamlined and accessible mechanism through which applicants can contribute to eligible mitigation projects. This approach is consistent with established practices already used at the local and regional level across the state and provides project applicants an additional tool to support their mitigation efforts.

~~SEC. 59.~~

SEC. 58. Section 21080.44 is added to the Public Resources Code, to read:

21080.44. (a) For purposes of this section, all of the following definitions apply:

(1) "Department" means the Department of Housing and Community Development.

(2) "Office" means the Office of Land Use and Climate Innovation.

(3) "Region" means the territory of the metropolitan planning organization within which a project is located, or the territory of the regional transportation planning agency within which a project is located if the project is located outside of the boundaries of a metropolitan planning organization.

(4) "Transit-Oriented Development Implementation Fund" means the fund created pursuant to Section 53561 of the Health and Safety Code.

(5) "Transit-Oriented Development Implementation Program" means the program established pursuant to Part 13 (commencing with Section 53560) of Division 31 of the Health and Safety Code.

(b) (1) (A) If a lead agency determines that a project will have a significant transportation impact pursuant to the metrics adopted pursuant to paragraph (1) of subdivision (b) of Section 21099, the lead agency may mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating vehicle miles traveled-efficient affordable housing or related infrastructure projects, provided the projects meet the requirements of mitigation measures contained within this division and Chapter 3 of Division 6 of Title 14 of the California Code of Regulations, including by contributing an amount, to be determined pursuant to the office's guidance issued pursuant to subdivision (d), to the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program.

(B) This section shall not preclude the lead agency's use of other mitigation strategies, including, but not limited to, transportation demand management, transit improvements, active transportation infrastructure, road diets, or utilizing local or regional mitigation banks and exchanges.

(2) Moneys may be deposited into the Transit-Oriented Development Implementation Fund pursuant to paragraph (1) beginning on or before July 1, 2026, as determined by the department.

(3) Consistent with paragraph (1), a project applicant may use the Transit-Oriented Development Implementation Fund as one optional strategy to mitigate a significant transportation impact under this division. The ultimate use of this mitigation option is subject to the discretion of the lead agency that retains full authority to determine the sufficiency of any proposed mitigation consistent with this division.

(c) (1) Moneys deposited into the Transit-Oriented Development Implementation Fund pursuant to subdivision (b) shall be available to the department, upon appropriation by the Legislature, for the purpose of awarding funding for affordable housing or related infrastructure projects, including infrastructure necessary for higher density uses, under the Transit-Oriented Development Implementation Program in the following priority order:

(A) First priority to affordable housing or related infrastructure projects in location-efficient areas, as defined in the office's guidance issued pursuant to subdivision (d), within the same region as the project.

(B) Second priority to affordable housing or related infrastructure projects within the same region as the project.

(C) (i) Third priority to affordable housing or related infrastructure projects in location-efficient areas that are outside of the originating region but within an adjacent region, provided the project site is located within a defined proximity radius established by the office issued pursuant to clause (ii).

(ii) The proximity radius shall be specified in the office's guidance and may vary based on regional characteristics such as population density and travel patterns. The intent of this provision is to support projects in neighboring regions that offer similar vehicle miles traveled-reducing benefits due to the project's

location efficiency, including access to high-quality transit, jobs, and essential services.

(2) Affordable housing or related infrastructure projects for which funding was applied from other state funding programs, but was not awarded due to limited program resources, or was awarded but a financing gap still exists, may be considered for funding pursuant to this subdivision. The applications for funding for these affordable housing or related infrastructure projects shall be eligible for consideration through a streamlined and expedited administrative review process to accelerate delivery.

(3) For each award of funding for affordable housing or related infrastructure projects pursuant to this subdivision, the department shall, in partnership with the office, confirm the estimated reduction in vehicle miles traveled associated with the affordable housing or related infrastructure project using the methodology established in the office's guidance issued pursuant to subdivision (d).

(d) On or before July 1, 2026, and at least once every three years thereafter, the office, in consultation with other state agencies, as appropriate, shall issue guidance related to the implementation of this section. This guidance shall include all of the following:

(1) A methodology for determining the amounts that are required to be contributed to the Transit-Oriented Development Implementation Fund pursuant to subdivision (b) to mitigate the environmental impacts associated with vehicle miles traveled.

(2) A definition of location-efficient areas that reflects a reasonable nexus between the location of the transportation impact of the project and the location of the vehicle miles traveled-efficient affordable housing or related infrastructure project which shall consider the location efficient area's consistency with an adopted sustainable communities strategy pursuant to Section 65080 of the Government Code, alternative planning strategy pursuant to Section 65080 of the Government Code, or other adopted regional growth plan intended to foster efficient land use.

(3) A process for validating a project's vehicle miles traveled funding contribution, which shall be designed to provide certainty to the lead agency and project applicant that the contribution satisfies applicable mitigation requirements under this division for significant transportation impacts.

(4) A methodology for estimating the anticipated reduction in vehicle miles traveled associated with affordable housing or related

infrastructure projects funded pursuant to subdivision (c). This methodology may consider existing methodologies, but shall be tailored to the specific purposes and structure of this section, including accounting for relevant factors influencing vehicle miles traveled reduction, including proximity to transit, job access, walkability, and the level of affordability, and the length of the affordability period, of the affordable housing or related infrastructure project.

(e) (1) (A) The initial guidance, which is required to be issued by the office on or before July 1, 2026, pursuant to subdivision (d), shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(B) Before finalizing the initial guidance, the office shall provide public notice, make a draft version publicly available, and allow for a public comment period of at least 30 days. The office shall consider all comments received before issuing the final guidance.

(2) The office shall commence the regular rulemaking process for subsequent guidance on or before January 1, 2028, in compliance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(f) Beginning the year following the first distributions of funding pursuant to this section, the office, in consultation with the department, the Transportation Agency, and regions, shall evaluate the use of vehicle miles traveled mitigation resources allocated pursuant to this section. The evaluation shall assess the distribution of funds across project types, the effectiveness of supported projects in reducing vehicle miles traveled, the affordability of the housing units produced, and other relevant metrics that reflect program performance. Based on this assessment, the department, in consultation with the office and the Transportation Agency, may revise program guidelines to enhance outcomes.

(g) This section does not prevents a local agency from charging local impact fees based on vehicle miles traveled pursuant to the Mitigation Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6 (commencing with Section 66010), Chapter 7 (commencing with Section 66012), Chapter 8 (commencing with

Section 66016), and Chapter 9 (commencing with Section 66020) of Division 1 of Title 7 of the Government Code).

~~SEC. 60.~~

SEC. 59. Section 21080.66 is added to the Public Resources Code, to read:

21080.66. (a) Without limiting any other statutory or categorical exemption, this division does not apply to any aspect of a housing development project, as defined in subdivision (b) of Section 65905.5 of the Government Code, including any permits, approvals, or public improvements required for the housing development project, as may be required by this division, if the housing development project meets all of the following conditions:

(1) (A) Except as provided in subparagraph (B), the project site is not more than 20 acres.

(B) The project site or the parcel size for a builder's remedy project, as defined in paragraph (11) of subdivision (h) of Section 65589.5 of the Government Code, or the project site or the parcel size for a project that applied pursuant to paragraph (5) of subdivision (d) of Section 65589.5 of the Government Code as it read before January 1, 2025, is not more than five acres.

(2) The project site meets either of the following criteria:

(A) Is located within the boundaries of an incorporated municipality.

(B) Is located within an urban area, as defined by the United States Census Bureau.

(3) The project site meets any of the following criteria:

(A) Has been previously developed with an urban use.

(B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(C) At least 75 percent of the area within a one-quarter mile radius of the site is developed with urban uses.

(D) For sites with four sides, at least three out of four sides are developed with urban uses and at least two-thirds of the perimeter of the site adjoins parcels that are developed with urban uses.

(4) (A) The project is consistent with the applicable general plan and zoning ordinance, as well as any applicable local coastal program as defined in Section 30108.6. For purposes of this section, a housing development project shall be deemed consistent with the applicable general plan and zoning ordinance, and any applicable local coastal program, if there is substantial evidence

that would allow a reasonable person to conclude that the housing development project is consistent.

(B) If the zoning and general plan are not consistent with one another, a project shall be deemed consistent with both if the project is consistent with one.

(C) The approval of a density bonus, incentives or concessions, waivers or reductions of development standards, and reduced parking ratios pursuant to Section 65915 of the Government Code shall not be grounds for determining that the project is inconsistent with the applicable general plan, zoning ordinance, or local coastal program.

(5) The project will be at least one-half of the applicable density specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.

(6) The project satisfies the requirements specified in paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.

(7) The project does not require the demolition of a historic structure that was placed on a national, state, or local historic register before the date a preliminary application was submitted for the project pursuant to Section 65941.1 of the Government Code.

(8) For a project that was deemed complete pursuant to paragraph (5) of subdivision (h) of Section 65589.5 of the Government Code on or after January 1, 2025, no portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging. For the purposes of this section, "other transient lodging" does not include either of the following:

(A) A residential hotel, as defined in Section 50519 of the Health and Safety Code.

(B) After the issuance of a certificate of occupancy, a resident's use or marketing of a unit as short-term lodging, as defined in Section 17568.8 of the Business and Professions Code, in a manner consistent with local law.

(b) (1) (A) A local government shall provide formal notification via certified mail and email to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, its location, and the project's potential effects on tribal cultural resources pursuant to one of the following deadlines:

(i) Within 14 days of the application for the project being deemed complete pursuant to paragraph (5) of subdivision (h) of Section 65589.5 of the Government Code.

(ii) For projects whose applications were deemed complete pursuant to paragraph (5) of subdivision (h) of Section 65589.5 of the Government Code before July 1, 2026, within 14 days of notifying the local government that the project is eligible to be exempt from this division pursuant to this section.

(B) The formal notification shall include all of the following:

(i) Detailed project information to help inform the consultation, including site maps, proposed project scope, and any known cultural resource studies.

(ii) Contact information for the local government.

(iii) Contact information for the project proponent.

(iv) Notice that the California Native American tribe has 60 days to request consultation with the local government pursuant to this subdivision.

(2) (A) Each California Native American tribe has 60 days to notify the local government that it accepts the invitation to consult.

(B) If a California Native American tribe chooses not to accept the invitation to consult, or does not notify the local government of its decision within 60 days, the consultation shall be considered to have concluded.

(3) (A) Within 14 days of receiving the notification that the California Native American tribe has elected to consult, pursuant to subparagraph (A) of paragraph (2), the local government shall initiate the consultation.

(B) During the consultation, the local government shall act in good faith to identify whether a tribal cultural resource could be affected by the proposed project and shall give deference to the tribal information, tribal knowledge and customs, and the significance of the resource to the California Native American tribe.

(C) The project proponent may participate in the consultation with the approval of the California Native American tribe if the project proponent agrees to engage in good faith and comply with the confidentiality requirements of Sections 7927.000 and 7927.005 of the Government Code, subdivision (d) of Section 21082.3, subdivision (d) of Section 15120 of Title 14 of the California Code

of Regulations, and any confidentiality standards adopted by the California Native American tribe participating in the consultation.

(D) The consultation shall seek to find measures that would avoid significant impacts to a tribal cultural resource.

(E) The local government shall document the results of the consultation.

(F) The consultation shall conclude within 45 days of initiation, subject to a one-time 15-day extension upon request by a participating California Native American tribe.

(4) The local government shall include, as binding conditions of the project approval, all of the following:

(A) Any enforceable agreements reached during the project consultation.

(B) All of the following measures, unless there is mutual agreement between the California Native American tribe and the project proponent not to include the measure as a binding condition:

(i) Upon request by a California Native American tribe, the project shall include tribal monitoring during all ground-disturbing activities, as follows:

(I) The California Native American tribe shall designate the monitor.

(II) The tribal monitor shall comply with applicant's site access and workplace safety requirements.

(III) The applicant shall compensate the tribal monitor at a reasonable rate, determined in good faith, that aligns with customary compensation for cultural resource monitoring, taking into account factors such as the scope and duration of the project.

(ii) Tribal cultural resources shall be avoided where feasible, in accordance with subdivision (a) of Section 21084.3. In furtherance of this requirement, where feasible, the project applicant shall provide deference to tribal preferences regarding access to spiritual, ceremonial, and burial sites, and incorporate tribal traditional knowledge in the protection and sustainable use of tribal cultural resources and landscapes.

(iii) All treatment and documentation of tribal cultural resources shall be conducted in a culturally appropriate manner, consistent with Section 21083.9.

(iv) A California Historical Resources Information System archaeological records search and a tribal cultural records search shall be completed for the project site.

(v) A Sacred Lands Inventory request shall be submitted to the Native American Heritage Commission.

(vi) The project shall comply with Section 7050.5 of the Health and Safety Code and Section 5097.98, including immediate work stoppage upon discovery of human remains or burial grounds, and treatment in accordance with applicable law and in consultation with the affected California Native American tribe.

(vii) An application of tribal ecological knowledge into habitat restoration efforts undertaken by the project as applicable to the specific environmental context and conditions of the project.

(5) For purposes of this subdivision, the following definitions apply:

(A) "California Native American tribe" has the same meaning as defined in Section 21073.

(B) "Enforceable agreement" means an agreement between the local government, project proponent, and any California Native American tribe that has engaged in consultation pursuant to this subdivision regarding the methods, measures, and conditions for tribal cultural resource identification, treatment, and protection, including consideration of avoidance. Compliance with the enforceable agreement shall be a required condition of approval for the project and its terms must be enforceable against the project proponent by the local government and the California Native American tribe.

(C) "Tribal cultural resource" means a site, feature, place, cultural landscape, sacred place, including a Native American sanctified cemetery, Indian cemetery, or Indian burial area, or an object with cultural value to a California Native American tribe that is any of the following:

(i) Included or eligible for inclusion in the California Register of Historical Resources or the National Register of Historic Places.

(ii) Included in a local register of historical resources as defined in subdivision (k) of Section 5020.1.

(iii) Identified by the Native American Heritage Commission as a sacred place pursuant to Section 5097.94 or 5097.96.

(iv) Included in a local tribal register.

(c) (1) (A) The local government shall, as a condition of approval for the development, require the development proponent to complete a phase I environmental assessment, as defined in Section 78090 of the Health and Safety Code.

(B) If a recognized environmental condition is found, the development proponent shall complete a preliminary endangerment assessment, as defined in Section 78095 of the Health and Safety Code, prepared by an environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity.

(C) If a release of a hazardous substance is found to exist on the site, the release shall be removed or any effects of the release shall be mitigated to levels required by current federal and state statutory and regulatory standards before the local government issues a certificate of occupancy.

(D) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to levels required by current federal and state statutory and regulatory standards before the local government issues a certificate of occupancy.

(2) For any housing on the site located within 500 feet of a freeway, all of the following shall apply:

(A) The building shall have a centralized heating, ventilation, and air-conditioning system.

(B) The outdoor air intakes for the heating, ventilation, and air-conditioning system shall face away from the freeway.

(C) The building shall provide air filtration media for outside and return air that provides a minimum efficiency reporting value of 16.

(D) The air filtration media shall be replaced at the manufacturer's designated interval.

(E) The building shall not have any balconies facing the freeway.

~~(d) (1) The following wage rates shall apply to all construction workers employed in the execution of a housing development project exempt from this division pursuant to this section:~~

~~(A) For the Counties of Alameda, Contra Costa, San Mateo, and Santa Clara, and the City and County of San Francisco, the following wage rates apply:~~

~~(i) Sixty percent of the construction workers shall be paid at a wage rate of no less than forty dollars ($40) per hour.~~

~~(ii) One hundred percent of the construction workers shall be paid at a wage rate of no less than twenty-seven dollars ($27) per hour.~~

~~(B) For the Counties of Los Angeles, Marin, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, Santa Barbara, Santa Cruz, Solano, Sonoma, and Ventura, the following wage rates apply:~~

~~(i) Sixty percent of the construction workers shall be paid at a wage rate of no less than thirty-six dollars ($36) per hour.~~

~~(ii) One hundred percent of the construction workers shall be paid at a wage rate of no less than twenty-four dollars ($24) per hour.~~

~~(C) For all other counties, the following wage rates apply:~~

~~(i) Sixty percent of the construction workers shall be paid at a wage rate of no less than twenty-eight dollars ($28) per hour.~~

~~(ii) One hundred percent of the construction workers shall be paid at a wage rate of no less than twenty dollars ($20) per hour.~~

~~(2) (A) Except as provided in subparagraph (B), paragraphs (1), (7), and (8) do not apply to projects of 25 units or less that are exempt from this division pursuant to this section.~~

~~(B) In the City and County of San Francisco, paragraphs (1), (7), and (8) do not apply to projects of 10 units or less that are exempt from this division pursuant to this section.~~

~~(3) (A) The wage requirements set forth in paragraph (1) shall be adjusted annually, on or before April 1. The Department of Industrial Relations shall calculate and publish on its internet website the adjusted wages based on the United States Bureau of Labor Statistics nonseasonally adjusted United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W) for the previous calendar year. If the U.S. CPI-W is negative, there shall be no increase or decrease in the wage requirements.~~

~~(B) Any adjusted wages described in subparagraph (A) shall be in effect for July 1 to June 30, inclusive, of the subsequent year.~~

~~(4) If an employer for a housing development project provides health care coverage for construction workers on the project, the wage rate per hour required pursuant to paragraphs (1) to (3), inclusive, shall be reduced in a dollar amount that is equal to the cost of the health care coverage provided. Under no circumstance shall the wage rate per hour be less than the applicable minimum wage for that county.~~

~~(5)~~

(d) (1) Notwithstanding ~~paragraphs (1) to (4), inclusive, and notwithstanding~~ any other law, all construction workers employed in the execution of a housing development project exempt from this division pursuant to this section where 100 percent of the units within the development project are dedicated to lower income households, as defined by Section 50079.5 of the Health and Safety Code, shall be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate, regardless of whether the housing development project is a public work.

(2) Notwithstanding any other law, the labor standards of paragraph (8) of subdivision (a) of Section 65913.4 of the Government Code shall apply to buildings over 85 feet in height above grade in any housing development project exempt from this division pursuant to this section.

~~(6)~~

(3) (A) Notwithstanding ~~paragraphs (1) to (5), inclusive, and notwithstanding~~ any other law, the labor standards of Article 4 (commencing with Section 65912.130) of Chapter 4.1 of Division 1 of Title 7 of the Government Code shall apply ~~to the following:~~ *for projects of 50 units or greater in the City and County of San Francisco that are not covered by paragraph (2), for any construction craft where at least 50 percent of the units in market-rate multifamily housing projects that received their certificate of occupancy between 2022 and 2024, inclusive, were built by workers that were paid not less than the general prevailing rate of per diem wages.*

~~(A) Buildings over 85 feet in height above grade.~~

~~(B) (i) For projects of 50 units or greater in the City and County of San Francisco, any construction craft where at least 50 percent of the units in market-rate multifamily housing projects that received their certificate of occupancy between 2022 and 2024, inclusive, were built by workers that were paid not less than the general prevailing rate of per diem wages.~~

~~(ii)~~

(B) For purposes of this section, "market-rate multifamily housing development project" means a housing development project of greater than 10 units where less than 95 percent of the units are dedicated to lower income households, as defined by Section 50079.5 of the Health and Safety Code.

~~(iii) (I)~~

(C) (i) The eligibility of this subparagraph, by classification, will be determined by the Department of Industrial Relations and published on its internet website by January 1, 2026.

~~(II)~~

(ii) In making a determination of eligibility pursuant to this subparagraph, the Director of Industrial Relations shall obtain and consider data from the labor organizations and employers or employer associations concerned no later than October 1, 2025.

~~(III)~~

(iii) To determine the number of market-rate multifamily housing projects that received their certificate of occupancy in a given year, the Department of Industrial Relations shall use the annual progress report data as reported by the jurisdiction pursuant to Section 65400 of the Government Code.

~~(7)~~

(4) The provisions of Section 218.8 of the Labor Code shall extend to the development proponent in addition to the direct contractor or subcontractor. For purposes of this paragraph, "development proponent" shall mean a developer who submits the housing development project application to a local government that is exempt from this division pursuant to this section.

~~(8)~~

(5) (A) A joint labor-management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) may undertake any of the following on a housing development project that is exempt from this division pursuant to this section:

(i) Bring an action in a court of competent jurisdiction against a contractor or subcontractor at any tier on behalf of construction workers employed by the contractor or subcontractor on a housing development project that is exempt from this division pursuant to this section to enforce Section 226 of the Labor Code. A contractor is not subject to an action pursuant to this subparagraph due to the

failure of a subcontractor to comply with Section 226 of the Labor Code.

(ii) Bring an action in a court of competent jurisdiction on behalf of an affected employee against an employer for damages as if Division 4 (commencing with Section 3200) of the Labor Code did not apply, if the employer fails to secure the payment of compensation as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the Labor Code.

(iii) In addition to the remedies set forth in Section 7028.3 of the Business and Professions Code, on proper showing by a joint labor-management cooperation committee of a continuing violation of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code by a person who constructs a housing project and does not hold a state contractor's license in any classification, an injunction shall issue by a court specified in Section 7028.3 of the Business and Professions Code at the request of the joint labor-management cooperation committee, prohibiting that violation.

(B) For any action brought pursuant to this paragraph, the court shall award a prevailing joint labor-management committee its reasonable attorney's fees and costs incurred maintaining the action.

(C) An action brought pursuant to this paragraph shall be filed within one year of a local government issuing a certificate of occupancy for the housing development project or for the portion relating to the action.

(D) This paragraph shall apply only to violations that occur on the site of construction of the housing development project.

(e) This section does not affect the eligibility of a housing development project for a density bonus, incentives or concessions, waivers or reductions of development standards, and reduced parking ratios pursuant to Section 65915 of the Government Code.

(f) For purposes of this section, the following terms apply:

(1) "Adjoins" includes parcels that are only separated by a street, pedestrian path, or bicycle path.

(2) "Construction worker" means one performing onsite work associated with construction, including work involving alteration, demolition, building, excavation, renovation, remodeling, maintenance, improvement, repair work, and any other work as described by Chapter 9 (commencing with Section 7000) of

Division 3 of the Business and Professions Code, and other similar or related occupations or trades.

(3) "Urban use" means any current or previous residential or commercial development, public institution, or public park that is surrounded by other urban uses, parking lot or structure, transit or transportation passenger facility, or retail use, or any combination of those uses.

~~SEC. 61.~~

SEC. 60. Section 21180 of the Public Resources Code is amended to read:

21180. For purposes of this chapter, the following definitions apply:

(a) "Applicant" means a public or private entity or its affiliates, or a person or entity that undertakes a public works project, that proposes a project and its successors, heirs, and assignees.

(b) "Environmental leadership development project," "leadership project," or "project" means a project as described in Section 21065 that is one of the following:

(1) A residential, retail, commercial, sports, cultural, entertainment, or recreational use project that is certified as Leadership in Energy and Environmental Design (LEED) gold or better by the United States Green Building Council and, where applicable, that achieves a 15-percent greater standard for transportation efficiency than for comparable projects. These projects must be located on an infill site. For a project that is within a metropolitan planning organization for which a sustainable communities strategy or alternative planning strategy is in effect, the infill project shall be consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board has accepted a metropolitan planning organization's determination, under subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(2) A clean renewable energy project that generates electricity exclusively through wind or solar, but not including waste incineration or conversion.

(3) A clean energy manufacturing project that manufactures products, equipment, or components used for renewable energy generation, energy efficiency, or for the production of clean alternative fuel vehicles.

(4) (A) A housing development project that meets all of the following conditions:

(i) The housing development project is located on an infill site.

(ii) For a housing development project that is located within a metropolitan planning organization for which a sustainable communities strategy or alternative planning strategy is in effect, the project is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board has accepted a metropolitan planning organization's determination, under subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(iii) Notwithstanding paragraph (1) of subdivision (a) of Section 21183, the housing development project will result in a minimum investment of fifteen million dollars ($15,000,000) in California upon completion of construction.

(iv) (I) Except as provided in subclause (II), at least 15 percent of the housing development project is dedicated as housing that is affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Upon completion of a housing development project that is qualified under this paragraph and is certified by the Governor, the lead agency or applicant of the project shall notify the Office of Planning and Research of the number of housing units and affordable housing units established by the project.

(II) Notwithstanding subclause (I), if a local agency has adopted an inclusionary zoning ordinance that establishes a minimum percentage for affordable housing within the jurisdiction in which the housing development project is located that is higher than 15 percent, the percentage specified in the inclusionary zoning ordinance shall be the threshold for affordable housing.

(v) (I) Except for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code, no part of the housing development project shall be used for a rental unit for a term shorter than 30 days, or designated for hotel, motel, bed and breakfast inn, or other transient lodging use.

(II) No part of the housing development project shall be used for manufacturing or industrial uses.

(B) For purposes of this paragraph, "housing development project" means a project for any of the following:

(i) Residential units only.

(ii) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

(iii) Transitional housing or supportive housing.

(c) "Infill site" has the same meaning as set forth in Section 21061.3.

(d) "Transportation efficiency" means the number of vehicle trips by employees, visitors, or customers of the residential, retail, commercial, sports, cultural, entertainment, or recreational use project divided by the total number of employees, visitors, and customers.

~~SEC. 62.~~

SEC. 61. Section 21183 of the Public Resources Code is amended to read:

21183. The Governor may certify a leadership project for streamlining before a lead agency certifies a final environmental impact report for a project under this chapter if all the following conditions are met:

(a) (1) Except as provided in paragraph (2), the project will result in a minimum investment of one hundred million dollars ($100,000,000) in California upon completion of construction.

(2) Paragraph (1) does not apply to a leadership project described in paragraph (4) of subdivision (b) of Section 21180.

(b) The project creates high-wage, highly skilled jobs that pay prevailing wages and living wages, provides construction jobs and permanent jobs for Californians, helps reduce unemployment, and promotes apprenticeship training. For purposes of this subdivision, a project is deemed to create jobs that pay prevailing wages, create highly skilled jobs, and promote apprenticeship training if the

applicant demonstrates to the satisfaction of the Governor that the project will comply with Section 21183.5.

(c) (1) For a project described in paragraph (1), (2), or (3) of subdivision (b) of Section 21180, the project does not result in any net additional emission of greenhouse gases, including greenhouse gas emissions from employee transportation. For purposes of this paragraph, a project is deemed to meet the requirements of this paragraph if the applicant demonstrates to the satisfaction of the Governor that the project will comply with Section 21183.6.

(2) For a project described in paragraph (4) of subdivision (b) of Section 21180, the project does not result in any net additional emission of greenhouse gases, including greenhouse gas emissions from employee transportation, or demonstrates consistency with the most recent scoping plan adopted by the State Air Resources Board pursuant to Section 38561 of the Health and Safety Code.

(d) The applicant demonstrates compliance with the requirements of Chapter 12.8 (commencing with Section 42649) and Chapter 12.9 (commencing with Section 42649.8) of Part 3 of Division 30, as applicable.

(e) The applicant has entered into a binding and enforceable agreement that all mitigation measures required under this division to certify the project under this chapter shall be conditions of approval of the project, and those conditions will be fully enforceable by the lead agency or another agency designated by the lead agency. In the case of environmental mitigation measures, the applicant agrees, as an ongoing obligation, that those measures will be monitored and enforced by the lead agency for the life of the obligation.

(f) The applicant agrees to pay the costs of the trial court and the court of appeal in hearing and deciding any case challenging a lead agency's action on a certified project under this division, including payment of the costs for the appointment of a special master if deemed appropriate by the court, in a form and manner specified by the Judicial Council, as provided in the California Rules of Court adopted by the Judicial Council under Section 21185.

(g) The applicant agrees to pay the costs of preparing the record of proceedings for the project concurrent with review and consideration of the project under this division, in a form and manner specified by the lead agency for the project. The cost of

preparing the record of proceedings for the project shall not be recoverable from the plaintiff or petitioner before, during, or after any litigation.

(h) For a project for which environmental review has commenced, the applicant demonstrates that the record of proceedings is being prepared in accordance with Section 21186.

~~SEC. 63.~~

SEC. 62. Section 30114.5 is added to the Public Resources Code, to read:

30114.5. "Residential development project" means a multifamily housing project that consists exclusively of residential uses and includes four or more units.

~~SEC. 64.~~

SEC. 63. Section 30405 is added to the Public Resources Code, to read:

30405. (a) Notwithstanding Section 10231.5 of the Government Code, no later than July 1, 2027, and annually thereafter, the commission shall submit a report to the Legislature that includes all of the following information for the preceding year:

(1) The number of residential development projects that were appealed to the commission.

(2) The number of appealed residential development projects for which the permit applicant waived the deadline for the commission to hear the appeal.

(3) The number of appealed residential development projects that were approved, approved with conditions, denied, or withdrawn.

(4) For each project described in paragraph (3), the commission shall include all of the following:

(A) A description of the project, including, but not limited to, the number of units in the project and the percentage of units affordable to very low, low-, and moderate-income households.

(B) The length of time from the appeal to the final action on each project.

(C) Any conditions imposed by the commission on a project, and the reason for approval, approval with conditions, or denial.

(b) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

~~SEC. 65.~~

SEC. 64. Section 30603 of the Public Resources Code is amended to read:

30603. (a) After certification of its local coastal program, an action taken by a local government on a coastal development permit application may be appealed to the commission for only the following types of developments:

(1) Developments approved by the local government between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance.

(2) Developments approved by the local government not included within paragraph (1) that are located on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff.

(3) (A) Developments approved by the local government not included within paragraph (1) or (2) that are located in a sensitive coastal resource area.

(B) This paragraph shall not apply to a residential development project.

(4) (A) Any development approved by a coastal county that is not designated as the principal permitted use under the zoning ordinance or zoning district map approved pursuant to Chapter 6 (commencing with Section 30500).

(B) This paragraph shall not apply to a residential development project.

(C) For purposes of this paragraph, "coastal county" shall not include a local government that is both a city and county.

(5) Any development that constitutes a major public works project or a major energy facility.

(b) (1) The grounds for an appeal pursuant to subdivision (a) shall be limited to an allegation that the development does not conform to the standards set forth in the certified local coastal program or the public access policies set forth in this division.

(2) The grounds for an appeal of a denial of a permit pursuant to paragraph (5) of subdivision (a) shall be limited to an allegation that the development conforms to the standards set forth in the

certified local coastal program and the public access policies set forth in this division.

(c) An action described in subdivision (a) shall become final at the close of business on the 10th working day from the date of receipt by the commission of the notice of the local government's final action, unless an appeal is submitted within that time. Regardless of whether an appeal is submitted, the local government's action shall become final if an appeal fee is imposed pursuant to subdivision (d) of Section 30620 and is not deposited with the commission within the time prescribed.

(d) (1) A local government taking an action on a coastal development permit shall send notification of its final action to the commission by certified mail, or by electronic mail pursuant to paragraph (2), within seven calendar days from the date of taking the action.

(2) (A) In order for a local government to notify the commission via electronic mail of an action on a coastal development permit, the notification shall be sent from a verifiable local government electronic mail account, and shall be received in the electronic mailbox designated by the commission on its internet website for receipt of that notification.

(B) For the purposes of determining the 10th working day from the date of receipt of notice by the commission under subdivision (c), notice received by the commission by electronic mail after the close of business shall be considered received on the next working day.

~~SEC. 66.~~

SEC. 65. Section 17053.5 of the Revenue and Taxation Code is amended to read:

17053.5. (a) (1) For a qualified renter, there shall be allowed a credit against the renter's "net tax," as defined in Section 17039. The amount of the credit shall be as follows:

(A) For spouses filing joint returns, heads of household, and surviving spouses, as defined in Section 17046, if adjusted gross income is fifty thousand dollars ($50,000) or less, the credit shall be equal to:

(i) For taxable years beginning before January 1, 2026, one hundred twenty dollars ($120).

(ii) Except as otherwise provided in subdivision (k), for taxable years beginning on or after January 1, 2026:

(I) Two hundred fifty dollars ($250) if the qualified renter has no dependents, as defined in Section 17056.

(II) Five hundred dollars ($500) if the qualified renter has one or more dependents, as defined in Section 17056.

(B) For other individuals, if adjusted gross income is twenty-five thousand dollars ($25,000) or less, the credit shall be equal to:

(i) For taxable years beginning before January 1, 2026, sixty dollars ($60).

(ii) Except as otherwise provided in subdivision (k), for taxable years beginning on or after January 1, 2026:

(I) Two hundred fifty dollars ($250) if the qualified renter has no dependents, as defined in Section 17056.

(II) Five hundred dollars ($500) if the qualified renter has one or more dependents, as defined in Section 17056.

(2) Except as provided in subdivision (b), spouses shall receive only one credit under this section. If the spouses file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(A) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed one-half the credit allowed to married persons and the nonresident spouse shall be permitted one-half the credit allowed to married persons, prorated as provided in subdivision (e).

(B) If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to the proration provided in subdivision (e).

(b) For spouses, if each spouse maintained a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed one-half the full credit allowed to married persons provided in subdivision (a).

(c) For purposes of this section, a “qualified renter” means an individual who satisfies both of the following:

(1) Was a resident of this state, as defined in Section 17014.

(2) Rented and occupied premises in this state that constituted the individual’s principal place of residence during at least 50 percent of the taxable year.

(d) “Qualified renter” does not include any of the following:

(1) An individual who for more than 50 percent of the taxable year rented and occupied premises that were exempt from property

taxes, except that an individual, otherwise qualified, is deemed a qualified renter if the individual or the individual's landlord pays possessory interest taxes, or the owner of those premises makes payments in lieu of property taxes that are substantially equivalent to property taxes paid on properties of comparable market value.

(2) An individual whose principal place of residence for more than 50 percent of the taxable year is with another person who claimed that individual as a dependent for income tax purposes.

(3) An individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph does not apply to an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

(e) An otherwise qualified renter who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of those credits for each full month that individual resided within this state during the taxable year.

(f) A person claiming the credit provided in this section shall, as part of that claim, and under penalty of perjury, furnish that information as the Franchise Tax Board prescribes on a form supplied by the board.

(g) The credit provided in this section shall be claimed on returns in the form as the Franchise Tax Board may from time to time prescribe.

(h) For purposes of this section, "premises" means a house or a dwelling unit used to provide living accommodations in a building or structure and the land incidental thereto, but does not include land only, unless the dwelling unit is a mobilehome. The credit is not allowed for any taxable year for the rental of land upon which a mobilehome is located if the mobilehome has been granted a homeowners' exemption under Section 218 in that year.

(i) This section shall become operative on January 1, 1998, and applies to any taxable year beginning on or after January 1, 1998.

(j) For each taxable year beginning on or after January 1, 1999, the Franchise Tax Board shall recompute the adjusted gross income amounts set forth in subdivision (a). The computation shall be made as follows:

(1) The Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to the portion of the percentage change figure that is furnished pursuant to paragraph (1) and dividing the result by 100.

(3) The Franchise Tax Board shall multiply the adjusted gross income amount in subparagraph (B) of paragraph (1) of subdivision (a) for the preceding taxable year by the inflation adjustment factor determined in paragraph (2), and round off the resulting products to the nearest one dollar ($1).

(4) In computing the adjusted gross income amounts pursuant to this subdivision, the adjusted gross income amounts provided in subparagraph (A) of paragraph (1) of subdivision (a) shall be twice the amount provided in subparagraph (B) of paragraph (1) of subdivision (a).

(k) (1) Unless otherwise specified annually in any bill providing for appropriations related to the Budget Act, for taxable years beginning on or after January 1, 2026, the amount of credit under clause (ii) of subparagraph (A) of, and clause (ii) of subparagraph (B) of, paragraph (1) of subdivision (a) shall be zero dollars ($0).

(2) For any taxable year for which the amount of the credit under clause (ii) of subparagraph (A) of, or clause (ii) of subparagraph (B), as applicable, of, paragraph (1) of subdivision (a) is zero dollars ($0) pursuant to paragraph (1), the credit amounts set forth in clause (i) of subparagraph (A) of, or clause (i) of subparagraph (B), as applicable, of, paragraph (1) of subdivision (a) shall be the credit amounts for a qualified renter for the taxable year.

(*l*) For the purposes of complying with Section 41, the Legislature finds and declares as follows:

(1) The specific goals, purposes, and objectives of this bill are as follows:

(A) To address the housing affordability crisis in California, as millions of Californians, who are disproportionately lower income and people of color, are making difficult decisions about paying for housing at the expense of other costs like food, health care, or

childcare, as one in three households do not earn enough money to meet their basic needs.

(B) To compensate low- and middle-income renters who are rent burdened by the increasing rates of rent throughout the State of California.

(C) To restructure the credit to reflect the disproportionate burden of high rents on single-parent families.

(D) To stimulate consumer spending and economic growth by providing more disposable income to reinvest in the economy.

(2) To measure whether the credit achieves its intended purpose, for those taxable years for which the amount of credit under clause (ii) of subparagraph (A) of, or clause (ii) of subparagraph (B) of, paragraph (1) of subdivision (a) is not zero dollars ($0), the Franchise Tax Board shall prepare a written report on both of the following:

(A) The number of taxpayers claiming the credit.

(B) The average credit amount on tax returns claiming the credit.

(3) The Franchise Tax Board shall provide the written report prepared pursuant to paragraph (2) to the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Assembly and Senate Committees on Appropriations, the Senate Committee on Revenue and Taxation, and the Assembly Committee on Revenue and Taxation. The report shall be submitted in compliance with Section 9795 of the Government Code. The report shall be due July 1 two years following any taxable year that the credit under paragraph (1) of subdivision (k) is not equal to zero dollars ($0).

~~SEC. 67.~~

SEC. 66. Section 5849.2 of the Welfare and Institutions Code is amended to read:

5849.2. As used in this part, the following definitions shall apply:

(a) "At risk of chronic homelessness" includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail, mental health, and substance use disorder facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.

(b) "Authority" means the California Health Facilities Financing Authority established pursuant to Part 7.2 (commencing with Section 15430) of Division 3 of Title 2 of the Government Code.

(c) "Capitalized operating reserves" has the same meaning as defined in Section 50058.8 of the Health and Safety Code.

(d) "Chronically homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations as that section read on May 1, 2016, or as otherwise modified or expanded by the State Department of Health Care Services.

(e) "Commission" means the Behavioral Health Services Oversight and Accountability Commission established by Section 5845.

(f) "Committee" means the No Place Like Home Program Advisory Committee established pursuant to Section 5849.3.

(g) "County" includes, but is not limited to, a city and a city and county receiving funds pursuant to Section 5701.5.

(h) "Department" means the Department of Housing and Community Development.

(i) "Development sponsor" has the same meaning as "sponsor" as defined in Section 50675.2 of the Health and Safety Code.

(j) "Fund" means the No Place Like Home Fund established pursuant to Section 5849.4.

(k) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations as that section read on May 1, 2016.

(*l*) "Permanent supportive housing" has the same meaning as "supportive housing," as defined in Section 50675.14 of the Health and Safety Code, except that "permanent supportive housing" shall include associated facilities if used to provide services to housing residents.

(m) (1) "Program" means the process for awarding funds and distributing moneys to applicants established in Sections 5849.7, 5849.8, and 5849.9 and the ongoing monitoring and enforcement of the applicants' activities pursuant to Sections 5849.8, 5849.9, and 5849.11.

(2) "Competitive program" means the portion of the program established by Section 5849.8.

(3) "Distribution program" means the portion of the program described in Section 5849.9.

(n) "Target population" means individuals or households, as provided in Section 5600.3, who are homeless, chronically homeless, or at risk of chronic homelessness.

(o) This section shall become operative on January 1, 2025, if amendments to the Mental Health Services Act are approved by the voters at the March 5, 2024, statewide primary election.

~~SEC. 68.~~

SEC. 67. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

~~SEC. 69.~~

SEC. 68. The Legislature finds and declares that the state faces a severe housing shortage, largely due to the lack of available housing affordable to lower income and moderate-income families. By expanding opportunities for ownership of more affordable housing types on smaller, less expensive parcels, this act ensures access to affordable housing and addresses a matter of statewide concern, rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 28 of this act amending Section 66499.41 of the Government Code applies to all cities, including charter cities.

~~SEC. 70.~~

SEC. 69. The Legislature finds and declares all of the following:

(a) The state faces a housing crisis of availability and affordability, in large part due to a severe shortage of housing.

(b) Solving the housing crisis therefore requires a multifaceted, statewide approach, which will include, but is not limited to, any or some of the following:

(1) Encouraging an increase in the overall supply of housing.

(2) Encouraging the development of housing that is affordable to households at all income levels.

(3) Removing barriers to housing production.

(4) Expanding the availability of rental housing.

(c) A temporary pause on additional changes to state building standards affecting residential construction for six years, with limited exceptions, would support this statewide approach by bringing more certainty to the home construction industry, including both affordable and market-rate developers, and helping stem further construction cost increases.

(d) Addressing the housing crisis and the severe shortage of housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 29, 30, 31, and 41 of this act amending Sections 17958, 17958.5, 17958.7, and 18941.5 of the Health and Safety Code apply to all cities, including charter cities.

~~SEC. 71.~~

SEC. 70. The Legislature finds and declares that Section ~~60~~ *59* of this act adding Section 21080.66 to the Public Resources Code addresses a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section ~~40~~ *59* of this act applies to all cities, including charter cities.

~~SEC. 72.~~

SEC. 71. (a) The Legislature finds and declares all of the following:

(1) The state faces a housing crisis of availability and affordability, in large part due to a severe shortage of housing.

(2) Solving the housing crisis therefore requires a multifaceted, statewide approach which will include, but is not limited to, any or some of the following:

(A) Encouraging an increase in the overall supply of housing.

(B) Encouraging the development of housing that is affordable to households at all income levels.

(C) Removing barriers to housing production.

(D) Expanding home ownership opportunities.

(E) Expanding the availability of rental housing.

(b) Therefore, addressing the housing crisis and the severe shortage of housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this act applies to all cities, including charter cities.

~~SEC. 73.~~

SEC. 72. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique construction of housing projects in the City and County of San Francisco.

~~SEC. 74.~~

SEC. 73. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SEC. 75.~~

SEC. 74. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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