
SENATE COMMITTEE ON HOUSING**Senator Aisha Wahab, Chair****2025 - 2026 Regular**

Bill No: AB 1021**Hearing Date:** 7/15/25**Author:** Wicks**Version:** 7/3/2025 Amended**Urgency:** No**Fiscal:** Yes**Consultant:** Erin Riches**SUBJECT:** Housing: local educational agencies

DIGEST: This bill makes changes to AB 2295 (Bloom, Chapter 652, Statutes of 2022), which authorizes a housing development as an allowable use on any real property owned by a local educational agency (LEA); and adds housing on an LEA property to an existing California Environmental Quality Act (CEQA) exemption for infill housing.

ANALYSIS:*Existing law:*

- 1) Establishes the Teacher Housing Act of 2016, which establishes that:
 - a) It is state policy to support housing for teachers and school district employees.
 - b) School districts and developers in receipt of local or state funds or tax credits designated for affordable rental housing may restrict occupancy to teachers and school district employees on land owned by school districts.
 - c) School districts may allow local public employees or other members of the public to occupy housing created through the Teacher Housing Act.
- 2) Authorizes, under AB 2295 of 2022, a housing development project to be deemed an allowable use on any real property owned by an LEA if the development meets the following requirements:
 - a) The development has at least 10 units.
 - b) The housing development has a deed restriction that ensures, for a period of 55 years, that at least a majority of the units are set at a rent that is affordable to lower income households and that at least 30% of the units are affordable to lower-income households.

- c) All of the units shall be rented by local educational employees, local public employees, followed by general members of the public, as specified.
 - d) The residential density for the housing development shall be the greater of the residential density allowed on the parcel by the city or county, or the applicable density deemed appropriate to accommodate housing for lower income households as provided under housing element law (known as the “Mullin densities” – see Comment #2 below).
 - e) The height shall be the greater of 30 feet or the height limit allowed on the parcel by the city or county.
 - f) The property is adjacent to a property that permits residential uses.
 - g) The property is on an infill site, as specified.
 - h) Any housing built must be located on property that is entirely contained within any applicable urban limit line or urban growth boundary.
 - i) The housing development must satisfy other local objective zoning standards, objective subdivision standards, and objective design review standards that do not preclude the housing development from achieving the residential density or height permitted in this bill.
 - j) The housing development must comply with all infrastructure-related requirements, including impact fees that are existing or pending at the time the application is submitted, imposed by a city or county or a special district that provides service to the parcel.
- 3) Requires the LEA to maintain ownership of a housing development that meets the requirements of (2) for the length of the 55-year affordability covenant.

This bill:

Makes the following changes to AB 2295 of 2022:

- 1) Revises the requirement for affordable units as follows to require a recorded deed restriction that ensures, for a period of at least 55 years:

- a) That at least 30% of the total units of the housing development are set at a rent affordable to lower-income households, and at least 20% at a rent affordable to moderate-income households; or
 - b) That at least 12% of the total units of the housing development shall be set at a rent affordable to very low-income households, at least 15% at a rent affordable to lower-income households, and at least 20% at a rent affordable to moderate-income households.
- 2) Authorizes an LEA, if it receives insufficient applications from LEA employees, to offer the unoccupied units to employees of other LEAs (rather than only the adjacent LEAs).
 - 3) Increases the density allowed for a residential development on an LEA-owned property, from the density required by housing element law to accommodate housing for lower-income households, to twice that amount.
 - 4) Revises height limits as follows:
 - a) For a site that is either surrounded by single-family zoning or is not within one-half mile of a major transit stop: the greater of the height limit allowed by the city or county, or 35 feet.
 - b) For a site that is not within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop: the greater of the height limit allowed by the city or county, or 45 feet.
 - c) For a site that is within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop: the greater of the height limit allowed by the city or county, or 65 feet.
 - 5) Deletes the requirement that the property must be adjacent to a property that permits residential uses as a principally permitted use.
 - 6) Deletes the requirement that a housing development must be located on an infill site.
 - 7) Requires the housing development to satisfy local objective zoning standards, objective subdivision standards, and objective design review standards that apply for the zone in the city or county that is closest in proximity to the project and allow for multifamily residential use at the density proposed by the project.

- 8) Provides that if no zone exists that allows the residential density proposed by the project, the applicable objective zoning standards, objective subdivision standards, and objective design review standards shall be those for the zone that allow the greatest density within the city or county.
- 9) Prohibits a city or county from applying any individual or combination of objective zoning standards, objective subdivision standards, and objective design review standards to the project that preclude the development from being built at the proposed density.
- 10) Provides that a housing development proposed for an LEA site shall be eligible for a density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios under Density Bonus Law (DBL).
- 11) Changes the definition of “affordable rent” to mean an amount consistent with rent limits established by the California Tax Credit Allocation Committee (instead of rent limits established in statute).
- 12) Provides that “housing development project” has the same definition as under the Housing Accountability Act (HAA).
- 13) Requires the city’s or county’s review of a housing development to determine whether it complies with objective development standards, to comply with HAA requirements.
- 14) Extends the sunset from 2033 to 2036.

Makes the following additional changes:

- 15) Clarifies an existing law provision, which authorizes a school district to elect not to appoint a school district advisory committee if the sale, lease, or rental of excess real property is to be used for teacher or school district employee housing, to specify that this includes housing under AB 2295.
- 16) Adds housing developments on LEA properties to an existing CEQA exemption for specified affordable housing projects on infill sites, as specified.

Background

School district land for affordable housing. According to *Education Workforce Housing in California: Developing the 21st Century Campus* (issued by cityLAB-UCLA, et al, in December 2021), there are more than 1,000 LEAs in California.

Collectively, LEAs own more than 150,000 acres of land. According to recent research, of the land owned by LEAs, there are 7,068 properties with potentially developable land of one acre or more, totaling 75,000 acres statewide. At a density of 30 dwellings per acre, such properties could contain 2.3 million units of housing – more than enough to house the state’s 300,000 teachers and 350,000 other LEA employees.

Despite the potential for development, there is very little housing on LEA property. This is understandable, given that the primary function of this land is for educational purposes. In addition, there are myriad impediments to completion of employee housing on LEA property, including:

- a) *Lack of expertise.* The core competency of LEAs is education. To the degree there is expertise in new construction or facilities management, it is focused on educational facilities, not on building and managing housing.
- b) *Lack of funding.* Given exceedingly high construction costs, the price of new housing exceeds what is affordable to most LEA staff. As such, to develop employee housing, LEAs need to identify public sources of funding.
- c) *Lack of permission.* Getting housing approved in California is often a laborious and risky process, reflecting the complexity of government review, public processes, and required analysis under the California Environmental Quality Act (CEQA). LEA properties typically face the additional hurdle of not having zoning that allows housing or specified development standards for housing projects. As such, if an LEA wanted to build housing for its employees, it would need to seek permission from a local government to establish the right to build housing and identify objective standards for the project to conform with.

COMMENTS:

- 1) *Author’s statement.* “Our state’s affordable housing crisis has a negative effect on so many aspects of our society – including the ability for our local education agencies (LEAs) to attract and retain qualified employees. AB 1021 addresses this issue head-on, by making it easier for LEAs to facilitate housing for their workforce on their property. The fact that almost one-third of this housing must be affordable to lower income households means that this bill serves the needs of those LEA employees that need the housing the most.”

- 2) *Mullin densities*. Existing law authorizes an LEA to develop housing on one of its properties provided several requirements are met, including that the residential density for the housing development shall be the greater of the residential density allowed on the parcel by the city or county, or the applicable density deemed appropriate to accommodate housing for lower-income households as provided under housing element law – known as the “Mullin densities.”

A local government must determine whether each site in its sites inventory for its housing element can accommodate some portion of the jurisdiction’s share of the regional housing needs assessment requirement by income category during the housing element planning period. A community must use the “default zoning densities,” also referred to as “Mullin densities,” to determine whether a site is adequately zoned for lower income housing or must provide an alternative analysis. Current default densities are as follows:

- a) 15 units per acre: cities within non-metropolitan counties; non-metropolitan counties with metropolitan areas.
 - b) 10 units per acre: unincorporated areas in all nonmetropolitan counties not included in the 15 units per acre category.
 - c) 20 units per acre: suburban jurisdictions.
 - d) 30 units per acre: jurisdictions in metropolitan counties.
- 3) *Legislative actions to facilitate housing on LEA land*. State and local officials are increasingly exploring ways to facilitate housing on LEA property, as a way to help LEAs recruit and retain employees. The Teacher Housing Act of 2016 (SB 1413, Leno, Chapter 732, Statutes of 2016), created a state policy to support housing for school district employees, and specified that projects can receive local or state funds or tax credits if developments are restricted to school district employees.

In 2022, the legislature passed AB 2295 (Bloom, Chapter 652), which sought to help facilitate the production of more housing by adding LEA properties to the sites available to be developed for residential uses. Specifically, AB 2295 deems a housing project, beginning January 1, 2024 and until January 1, 2033, to be an allowable use on an LEA-owned property if it contains at least 10 units, of which at least 30% are affordable to lower-income households. These projects must provide first priority to LEA employees, followed by local public employees, and finally members of the public. The committee does not know whether any LEAs have taken advantage of this authorization.

- 4) *Time for an update.* This bill makes numerous changes to AB 2295 to help further facilitate the production of housing on LEA properties. Key changes include the following.
- a) *Expanding beyond infill sites.* Deletes the requirement that an LEA development must be located on an infill site (however, as discussed below in Comment #6, it would have to be located on an infill site to qualify for the CEQA exemption created by this bill).
 - b) *Authorizing more density.* Increases the allowed density to twice the density required by housing element law to accommodate housing for lower income households. Also revises the calculation for the number of affordable units by specifying that the number of affordable units is the “total” number of units in the development; “total” is defined as excluding a unit added by a density bonus awarded pursuant to state law or any local law granting a greater density bonus and including a unit designated to satisfy an inclusionary zoning requirement of a city or county.
 - c) *Increasing affordability requirements.* Existing law requires an LEA development to have a deed restriction that ensures, for a period of 55 years that at least a majority of units are set at a rent that is affordable to lower-income or moderate-income households, but at least 30% must be affordable to lower-income households. This bill instead requires that either 30% of units are set at lower-income rents and 20% at moderate-income rents; or that at least 12% of units are set at very-low-income rents, at least 15% at lower-income rents, and at least 20% at moderate-income rents.
 - d) *Protecting against height restrictions.* Increases height limits to up to 35 feet for a site that is not within a half-mile of a transit stop; up to 45 feet for a site that is not within an urban area and is within a half-mile of a transit stop; and 65 feet for a site that is in an urban area and within a half-mile of a transit stop.
 - e) *Protecting against zoning restrictions.* Prohibits a city or county from applying objective zoning standards, objective subdivision standards, and objective design review standards that preclude an LEA development from being built at the proposed density and requires local review to be consistent with existing law requirements.
 - f) *Establishing eligibility for housing assistance.* Provides that an LEA development is eligible for a density bonus, incentives or concessions,

waivers or reductions of development standards, and parking ratios under DBL.

- 5) *Adding LEA developments to the CEQA infill exemption.* CEQA applies when a development project requires discretionary approval from a local government agency. When a local agency has the discretion to approve a project, its CEQA evaluation begins with deciding whether an activity qualifies as a project subject to CEQA review. If an activity is deemed a “project,” the agency decides whether it is exempt from compliance with CEQA under either a statutory or a categorical exemption. Statutory exemptions are activities the Legislature has excluded from CEQA despite potential environmental impacts. If a project is statutorily exempt, it can be implemented without a CEQA evaluation. In addition to statutory exemptions, the state has created multiple statutory and regulatory exemptions from CEQA for residential projects that it deems to not have a significant environmental impact, including ones specifically for affordable housing. However, housing developers report that many of these exemptions include subjective provisions that make them easy to challenge, and thus difficult to utilize.

To address this issue, the Legislature has created CEQA exemptions for affordable housing projects on infill sites. AB 1449 (Alvarez, Chapter 761, Statutes of 2024) created a new CEQA exemption for 100% affordable housing projects funded by low-income housing tax credits (LIHTC). To qualify, the projects must meet objective standards, cannot be located on environmentally sensitive sites, and must be located on an infill site; they must also be located near a major transit stop, a very low vehicle travel area, or at least six specified entities. Finally, construction of the project must meet the labor standards required by AB 2011 (Wicks, Chapter 647, Statutes of 2022).

This bill would add developments on LEA properties to the CEQA exemption established under AB 1449, except that the LEA development would not have to be funded with LIHTC and it would not have to be 100% affordable (though it would have to meet the affordability requirements of LEA statute as amended by this bill). In addition, as noted above, although this bill deletes the AB 2295 requirement that an LEA development be located on an infill site, it would need to be located on an infill site in order to qualify for the CEQA exemption.

- 6) *Committee amendments.* **The author has agreed to accept a technical committee amendment to clarify that a city’s or county’s review of a housing development to determine whether it complies with objective development standards, must comply with HAA requirements, rather than with HAA “procedural” requirements.**

7) *Incoming!* This bill was approved by a 6-1 vote in the Senate Local Government Committee on July 2, 2025.

RELATED LEGISLATION:

AB 1296 (Wicks, 2025) – requires HCD to provide technical assistance to LEAs for housing predevelopment activities on LEA properties. *This bill is pending on the Senate Appropriations Committee suspense file.*

AB 1381 (Muratsuchi, 2025) – establishes the Educational Workforce Housing Revolving Loan Fund, administered by the California School Finance Authority, to provide zero-interest loans to LEAs for conducting educational workforce housing predevelopment activities, subject to appropriation. *This bill is pending hearing in the Senate Appropriations Committee (7/7).*

AB 1449 (Alvarez, Chapter 761, Statutes of 2024) – exempts certain housing affordable housing projects on infill sites from CEQA, as specified.

AB 2295 (Bloom, Chapter 652, Statutes of 2022) – Deems a housing project, beginning January 1, 2024 and until January 1, 2033, to be an allowable use on property owned by an LEA if it meets specified affordability criteria and planning standards.

AB 2011 (Wicks, Chapter 647, Statutes of 2022) — established the Affordable Housing and High Roads Jobs Act, which required specified housing development projects to be a use by right on specified sites zoned for retail, office, or parking, as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, July 9, 2025.)

SUPPORT:

California School Boards Association (Co-Sponsor)
Citylab-ucla (Co-Sponsor)
Oakland Fund for Public Innovation (OFPI) (Co-Sponsor)
All Home, a Project of Tides Center
California Apartment Association
California School Employees Association
County of Santa Barbara

Los Angeles Unified School District
Oakland Unified School District
Partnership for Los Angeles Schools
Power California Action

OPPOSITION:

None received

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