

CONCURRENCE IN SENATE AMENDMENTS

AB 1296 (Bonta)

As Amended August 29, 2025

Majority vote

SUMMARY

Requires the Department of Housing and Community Development (HCD) to create a form for local educational agencies (LEAs) to express interest in using their property for housing development and requires HCD to offer technical assistance to LEAs for predevelopment activities on such projects, especially in high-need or high-cost areas.

Senate Amendments

Author's amendments taken in the Senate Appropriations Committee limit the requirement for HCD to provide technical assistance to only those LEAs that submit a notice to the department requesting technical assistance to support predevelopment activities, as specified.

COMMENTS

California's Housing Crisis. California's housing crisis is a half-century in the making.¹ After decades of underproduction, supply is far behind need, and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.² One in three households in the state doesn't earn enough money to meet their basic needs.³ In 2024, over 187,000 Californians experienced homelessness on a given night.⁴

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.⁵

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Turner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.⁶

Housing Affordability and LEA Employee Need. California is facing a worsening educator workforce crisis, driven in large part by the state's extreme housing affordability challenges.

¹ California Department of Housing and Community Development, *A Home for Every Californian: 2022 Statewide Housing Plan*. March 2022, <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

² IBID.

³ IBID.

⁴ U.S. Department of Housing and Urban Development, Point in Time Counts.

<https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

⁵ <https://www.hcd.ca.gov/policy-research/housing-challenges.shtml>

⁶ UC Berkeley Turner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025

According to the California Teachers Association's State of California's Public Schools survey published in January 2025, four in 10 educators are considering leaving the profession in the next few years, with 77% citing financial strain as a key reason.⁷ More than half of those surveyed said they know colleagues who have already left due to financial pressure.⁸ Among younger educators, 35% are considering leaving, and a staggering 92% point to financial hardship as the reason why.⁹

The same survey found that housing affordability is a major driver of this trend. Eighty-four percent of educators say that housing affordability is a serious issue near their workplaces. Nearly one-third of teachers are rent-burdened, and rates are even higher for non-teaching staff like teacher assistants and food service workers. These burdens fall disproportionately on Black and Latino school employees, further undermining efforts to build a diverse and stable education workforce. These financial pressures have contributed to roughly 10,000 current educator vacancies across California's public schools.

At the same time, there are over 1,000 LEAs in California that collectively own more than 150,000 acres of land.¹⁰ 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 modest density of 30 dwelling units 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 currently built on LEA property. This is understandable, given that the primary function of this land is for educational purposes. It is also because there are myriad impediments to completion of employee housing on LEA property, including:

- 1) 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.
- 2) Lack of funding: given exceedingly high construction costs, the price of new market-rate housing exceeds what is affordable to most LEA staff. As such, to develop employee housing, LEAs will need to identify and obtain public sources of funding to ensure continued affordability.
- 3) Lack of permission: getting housing approved in California is often a laborious and risky process for seasoned developers, let alone LEAs. This is due in part to the complexity of the local approvals process and required analysis under the California Environmental Quality Act (CEQA).

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 teachers

⁷ *California Teachers Association's State of California's Public Schools survey (January 2025)*

⁸ <https://citiesandschools.berkeley.edu/wp-content/uploads/Report-Education-Workforce-Housing-in-CaliforniaCCS-cityLAB-Terner-Center2022-1.pdf>

⁹ *California Teachers Association's State of California's Public Schools survey (January 2025)*

¹⁰ See footnote ⁴

and school district employees, and specified that projects can receive local or state funds or tax credits if developments are restricted to school district employees. AB 3308 (Gabriel), Chapter 199, Statutes of 2020 specified that LEAs building housing could restrict occupancy on projects developed on their own land to teachers and employees of the school district. To address land use barriers to building housing, AB 2295 (Bloom), Chapter 652, Statutes of 2022, authorized a housing development project as an allowable use on any real property owned by a LEA, regardless of the underlying local zoning designation.

This bill would further chip away at one of the key remaining barriers to LEA housing development – the lack of expertise. Due to California's current regulatory framework, it is difficult for even the most seasoned developers to successfully gain local approval to build housing, assemble a capital stack for an affordable housing project, navigate through the construction stage, and then manage an affordable housing development for the full term of its affordability covenants. This bill would help LEAs seeking to build housing without the in-house expertise in the following ways:

- 1) Publication of available land: LEAs with land that they would like to see housing built on would be able to submit their property information to HCD, who would then make that information available to the public. This could help to match LEAs with qualified developers.
- 2) Technical assistance: HCD, or a qualified third-party that HCD contracts with, would be required to provide technical assistance to LEAs that request it to help them navigate predevelopment activities. This technical assistance shall be advisory in nature and may include, but is not limited to, providing guidance on regulations, funding, feasibility analysis, and contract review. This support may also include referrals to outside experts and service providers.

Under this bill, HCD would be required to prioritize its technical assistance for LEAs that serve high-need student populations, or that are located in areas experiencing high housing-cost burdens or educator staffing shortages. In doing so, it seeks to empower LEAs to build housing for their employees, while ensuring that the help is first directed to the highest-need LEAs.

Public Land for Affordable Housing: California already has proven models for using public land to build affordable housing. The Excess Sites Program, administered jointly by DGS and HCD, identifies underutilized state-owned properties and prioritizes them for affordable housing development. As of the end of the 2023 Fiscal Year, the last year with available data, the Excess Sites Program sparked 19 partnerships between the state, affordable housing developers, and local communities, amassing a pipeline of approximately 5,500 new homes.¹¹ Complementing this effort, the Surplus Land Act (SLA) requires local agencies to prioritize affordable housing when disposing of publicly owned land by establishing certain processes that they must follow. Since January 1, 2021, over 32,200 units have been unlocked through the SLA, with over 20,000 deed-restricted affordable units.¹²

¹¹ HCD FY 22-23 Annual Report, accessed here: <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>

¹² <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/surplus-land-act-dashboard>

Together, these policies create a powerful framework for unlocking public land for housing, with strong requirements for affordability and transparency. In both the excess sites program and the SLA, the state maintains a map of the excess sites and surplus land that is available for affordable housing development.¹³¹⁴ This bill would build on that proven model by requiring HCD to maintain a list of LEA land that is available for affordable housing development, if the LEA elects to participate by submitting that information to HCD.

According to the Author

"California's educator workforce is being pushed out of the communities they serve. Over half of California school districts are in counties where new teachers are rent-burdened. The burden of unaffordable housing falls hardest on Black and Latinx educators and school staff—undermining efforts to build a diverse and inclusive workforce that reflects the students our schools serve. At the same time, California has over 75,000 acres of public school land that could support housing—but many school districts lack the capacity to act on this opportunity. AB 1296 connects LEAs interested in pursuing housing projects with potential partners and directs the Department of Housing and Community Development to offer technical assistance to LEAs to support predevelopment activities. AB 1296 is about equity, access, and supporting the people who support our students. This bill ensures that workforce housing is not just an option for well-resourced districts, but a real opportunity for every community."

Arguments in Support

The Los Angeles County Office of Education (LACOE) writes in support: "AB 1296 aligns with LACOE's mission to support the academic and social success of every student while providing a fiscally responsible path to address the educator housing crisis. By expanding the capacity of LEAs to create affordable housing for educators and school staff, this bill strengthens the workforce, improves community stability, and ultimately enhances outcomes for California's students."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

Under the bill, HCD would be responsible for delivering project-specific information and regulatory guidance—such as requirements under the Surplus Land Act, local zoning laws, and the California Environmental Quality Act. HCD would also assist LEAs with identifying public funding sources, offering insights on conducting feasibility analyses, reviewing draft agreements and providing feedback on ground leases or other development agreements with housing developers, as well as facilitating referrals to external experts and others. Additionally, HCD would be required to create an online form for LEAs to express interest and provide a public-facing resource hub to support housing development on school-owned land. To implement these responsibilities, HCD will likely incur the following costs:

¹³ <https://experience.arcgis.com/experience/f9b1ccf48e864ac8af8014cbb89371b8>

¹⁴ <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/notices-of-available-locally-owned-surplus-land-map>

Total General Fund (GF) costs in the range of \$2 million to \$3 million annually ongoing. These costs include permanent staff positions for a dedicated technical assistance team, \$1.25 million annually in consulting services to provide expert support in real estate finance and development advising, and a one-time IT cost of \$750,000 to support data collection, outreach, and program administration.

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 10-0-2

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Wicks, Wilson

ABS, ABST OR NV: Ta, Tangipa

ASM EDUCATION: 9-0-0

YES: Muratsuchi, Hoover, Addis, Alvarez, Bonta, Castillo, Garcia, Lowenthal, Patel

ASM APPROPRIATIONS: 11-2-2

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Dixon, Tangipa

ABS, ABST OR NV: Sanchez, Ta

ASSEMBLY FLOOR: 67-5-7

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO: DeMaio, Dixon, Gallagher, Macedo, Tangipa

ABS, ABST OR NV: Castillo, Chen, Ellis, Flora, Hadwick, Sanchez, Ta

UPDATED

VERSION: August 29, 2025

CONSULTANT: Dori Ganetsos / H. & C.D. / (916) 319-2085

FN: 0001879