

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1567 (Ta) – As Amended March 16, 2026

Policy Committee:	Housing and Community Development	Vote:	12 - 0
	Local Government		10 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill authorizes a local planning agency to include in its Annual Progress Report (APR) to the Department of Housing and Community Development (HCD) the number of units approved for congregate housing for the elderly or residential care facilities for the elderly (RCFEs).

Specifically, this bill:

Authorizes, for the seventh and each subsequent revision of the housing element, each county and city to include in its APR provided to HCD and the Office of Land Use and Climate Innovation, the number of units approved for congregate housing for the elderly or RCFEs, as defined in current law, for up to 15% of a jurisdiction’s regional housing need allocation (RHNA) for any income category.

FISCAL EFFECT:

1) HCD indicates ongoing workload to collect, validate, and store reported data on congregate housing units, and provide technical assistance to local agencies, as well as one-time costs to update the housing element APR form and to update IT systems. HCD notes there are multiple bills moving through the Legislature that impact the APR. If several of these bills passed and were signed, HCD would need additional workload resources to absorb new workload created by all the APR-related bills, including this one. HCD estimates the total General Fund costs to be in the hundreds of thousands of dollars, including additional staff time and one-time costs.

However, if this bill is the only APR-related bill, or one of only a couple, that takes effect, costs for this bill would include the one-time costs noted above (approximately \$100,000) and a portion of staffing costs, resulting in General Fund costs for this bill in the range of \$150,000 to \$250,000.

2) Local costs to each city and county that opts to report the number of units of congregate housing for the elderly or RCFEs in its annual progress report (APR) to HCD. These costs are not reimbursable by the state.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

Cities and counties are unable to count assisted living facilities towards their RHNA numbers; however, [this bill] would encourage cities and counties to produce more assisted living as defined by Section 50062.5 of the HSC, freeing up more homes to be available on the market for purchase by families. This is first and foremost a definition bill that authorizes the HCD to have a definition for assisted living for meeting RHNA goals for senior housing.

2) **Background. RHNA.** Existing law requires each city and county to adopt a general plan for land use within its jurisdiction. Each general plan must include a housing element detailing existing housing conditions within the jurisdiction, the need for new housing and the strategy the jurisdiction will use to address that need. Local governments must adopt a new housing element every eight years, although some rural jurisdictions must do so every five years.

The RHNA is used to determine the number and affordability level of new homes each local government must plan for in its housing element over the next eight-year planning cycle. HCD collaborates with regional Councils of Government (COGs) and others per a prescribed process. HCD communicates its estimations and final determinations to the COGs who then allocate the housing need to subregions of the COGs or directly to local governments. Each local government then develops an implementation plan to accommodate its share of need for all income levels through updates to its housing element.

Each year, the local government's planning agency must submit an APR to HCD that includes specified information relating to the jurisdiction's progress in meeting its share of RHNA, pursuant to its housing element. The APR must include specific information about all proposed and approved development projects in the prior year, including the number of housing development applications received, the number of units included in all development applications, the number of units approved and disapproved, and the number of new housing units issued a completed entitlement, building permit, or certificate of occupancy, among other provisions.

Congregate Housing. Because HCD does not consider group quarters a "housing unit" under existing law and guidance, a jurisdiction cannot include congregate housing in its APR and, thus, cannot count this housing towards meeting its RHNA obligations. These units are excluded, in part, because income categorization of this nuanced housing type is difficult to determine because the cost to the occupant is not necessarily set in a traditional monthly rent schedule, but rather as a room-and-board charge or bed-space charge. As a result, actual out-of-pocket costs may vary from one occupant to another, even within the same suite, or room within a suite.

This bill, for the 7th and each subsequent revision of the housing element, allows local governments to receive APR and RHNA credit for new housing developments providing congregate housing for the elderly or RCFEs.

Master Plan for Aging (MPA). California's senior population is growing faster than any other age group. By 2030, over 25% of the population in California will be 60 and older. In January of 2021, the Governor released his MPA, which prioritizes the health and well-being

of older Californians and the need for policies that promote healthy aging. This bill supports these efforts.

- 3) **Related Legislation.** AB 1131 (Ta), of this legislative session, is substantially similar to this bill. AB 1131 was held on the Senate Appropriations Committee's suspense file.

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