

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 1732 (Alvarez) – As Amended April 15, 2026

SUBJECT: California Environmental Quality Act: exemption: affordable housing projects: public university or public college housing projects

SUMMARY: Expands an existing California Environmental Quality Act (CEQA) statutory exemption for infill affordable housing to include qualifying public university and community college housing projects, allowing those projects to proceed without environmental review if they meet specified labor, location, and environmental standards. Specifically, **this bill:**

- 1) Defines “public university or public college housing project” as one or more housing facilities to be occupied by students, faculty, or staff on a University of California (UC), California State University (CSU), or California Community College (CCC) campus, including dining, academic, student support service spaces, and other facilities that meet the following requirements:
 - a) The labor standards established in AB 2011 (Wicks), Chapter 647, Statutes of 2022;
 - b) The project is located on a legal parcel or parcels in any of the following locations:
 - i) In a city where the city boundaries include some portion of either an urbanized area or urban cluster;
 - ii) In an unincorporated area where the legal parcel or parcels are wholly within the boundaries of an urbanized area or urban cluster;
 - iii) Within one-half mile walking distance of either a high-quality transit corridor or a major transit stop;
 - iv) In a very low vehicle miles traveled (VMT) area; or
 - v) Proximal to six or more specified amenities; and
 - c) The project is located on a site where parcels developed with urban uses adjoin at least 75% of the perimeter, or at least three sides of a four-sided site.
- 2) Expands an existing CEQA exemption for qualifying affordable housing projects to also apply to public university or public college housing projects meeting the criteria in 1).
- 3) Extends the CEQA exemption to specified actions related to public university or public college housing projects, including the issuance of entitlements, land disposition actions, rezonings or plan amendments required to facilitate the project, and the provision of financial assistance, consistent with the actions already exempted for affordable housing projects.
- 4) Modifies existing law governing the CEQA exemption for both affordable housing projects, and the new addition of public university or public college housing projects, by requiring the lead agency to provide notice to, and consult with, California Native American tribes prior to

project approval, and authorizing the lead agency to impose conditions of approval to avoid or mitigate impacts to tribal cultural resources.

- 5) Applies existing environmental and site eligibility requirements under the CEQA exemption to public university or public college housing projects, including requirements related to hazardous materials assessment and remediation, exposure to environmental hazards, and specified siting constraints.
- 6) Extends the sunset date for the CEQA exemption for both affordable housing projects and public university or public college housing projects from January 1, 2033, to January 1, 2037.

EXISTING LAW:

- 1) Requires a lead agency to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) for a project it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration or mitigated negative declaration, as applicable, unless the project is exempt from CEQA. (Public Resources Code (PRC) Section 21000 et seq.)
- 2) Exempts from CEQA specified actions related to qualifying affordable housing projects, including the issuance of entitlements, land disposition actions, rezonings or plan amendments required to facilitate the project, and the provision of financial assistance, if the project meets specified requirements. (PRC 21080.40)
- 3) Defines a qualifying “affordable housing project” as a project consisting of multifamily residential uses only or a mix of multifamily residential and nonresidential uses, with at least two-thirds of the square footage designated for residential use, that meets one of the following:
 - a) All residential units, excluding managers’ units, are dedicated to lower income households; or
 - b) The project is on a site owned by a local educational agency and complies with specified affordability requirements.
- 4) Requires the affordable housing project to meet specified labor standards, including prevailing wage requirements and, for projects of 50 or more units, additional labor standards.
- 5) Requires the affordable housing project to be located on a legal parcel or parcels in any of the following locations:
 - a) In a city where the city boundaries include some portion of an urbanized area or urban cluster, or in an unincorporated area where the parcel is wholly within an urbanized area or urban cluster;
 - b) Within one-half mile walking distance of a major transit stop or high-quality transit corridor;
 - c) In a very low vehicle miles traveled (VMT) area; or

- d) Proximal to specified amenities.
- 6) Requires the project to meet specified site and environmental conditions
- 7) Requires the lead agency to file a notice of exemption with the Office of Planning and Research (OPR) and the county clerk.
- 8) Sunsets these provisions in 1)-7), above, on January 1, 2033.

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California's public colleges and universities are among the finest higher education institutions in the world. They are also at the frontlines of the student housing crisis, yet they are uniquely disadvantaged by a legal technicality that prevents them from accessing the same CEQA streamlining available to private higher education institutions and other housing developers. AB 1732 closes this gap. By extending the infill exemption framework to housing projects consistent with public higher education land use plans, we can accelerate the construction of the affordable student housing that our students urgently need, without sacrificing environmental protections or labor standards.

UC, CSU and CCC Campus housing projects are some of the most environmentally friendly buildings and located in already dense areas, often around transit options. In fact, several public higher education land use plans explicitly reference campus housing as a Vehicle Miles Traveled-reduction strategy. At a time when housing insecurity affects students and employees across California's public higher education system, it is difficult to justify maintaining procedural barriers that private developers and private colleges are not required to overcome.

Student Housing Need: California's housing crisis is a half-century in the making.¹ After decades of underproduction, supply is far behind need, and housing 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. One in three households in the state doesn't earn enough money to meet their basic needs. In 2024, over 187,000 Californians experienced homelessness on a given night.²

To meet this housing need, the Department of Housing and Community Development (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). 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.³

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 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>

³ <https://www.hcd.ca.gov/policy-research/housing-challenges.shtml>

A recent report from the Public Policy Institute of California (PPIC) shows that students spend more on housing than tuition while attending public university.⁴ While public colleges have made significant efforts to house students on campus in recent years, the vast majority of California's college students still rely on a limited number of increasingly unaffordable and inaccessible off-campus housing units available through the private market. While public universities are not required to obtain approval to build student housing on their own land, so long as they have a master plan in place, private developers building housing near college campuses must undergo an often lengthy and costly approval process. Furthermore, student housing need is not accounted for in the RHNA process by HCD, so Californians attending university may be underserved by our current production pipeline.

According to a 2023 survey from the California Student Aid Commission, a majority of California college students experience rent burdens and housing insecurity due to high housing costs.⁵ Nearly 24% of CCC, 11% of CSU, and 8% of UC students are unable to keep up with the high cost of housing and fall into homelessness in a given year.⁶ The largest representative study of homelessness since the 1990s found that the most common reason for leaseholders leaving their last housing was economic.⁷

CEQA: CEQA was enacted in 1970 and signed into law by Governor Reagan in response to growing public concern about the environmental consequences of development. Over time, CEQA has become a central feature of land use planning in California, influencing how and where development proposals, including proposed housing developments, can proceed. Modeled after the National Environmental Policy Act (NEPA), CEQA requires public agencies to identify, disclose, and, where feasible, mitigate the significant environmental impacts of proposed projects. The level of environmental review varies depending on a project's potential impacts or its eligibility for exemption under CEQA. Projects may qualify for a statutory or categorical exemption, or, if not exempt, may require a Negative Declaration, Mitigated Negative Declaration (MND), or a full EIR. While categorical exemptions typically apply to project types that are unlikely to have significant environmental impacts, statutory exemptions may apply even if a project could result in significant impacts, based on policy decisions made by the Legislature.

While CEQA is intended to promote transparency and environmental protection, it also introduces time, complexity, and litigation risk to proposed developments, particularly for multifamily or infill housing projects. Developers and local governments often face challenges navigating CEQA's technical requirements, including preparing lengthy documentation and coordinating among various departments and consultants. CEQA includes statutory timelines intended to guide the environmental review process, but these deadlines are largely unenforceable in practice. Statute establishes time limits for completing various levels of environmental review, such as a one-year timeframe to complete a full EIR, but courts have consistently interpreted CEQA's timeframes as advisory rather than mandatory, meaning there

⁴ [https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20\(Figure%201\).](https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20(Figure%201).)

⁵ https://www.csac.ca.gov/sites/main/files/file-attachments/food_and_housing_basic_needs_survey_2023.pdf?1700100691&utm_medium=email&utm_source=ActiveCampaign&utm_medium=email&utm_content=California+Democrats+gather+to+pick+favorites+-+and+party&utm_campaign=WhatMatters

⁶ <https://lao.ca.gov/reports/2024/4898/Update-on-Student-Housing-Assistance-050724.pdf>

⁷ <https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness>

are no penalties for exceeding them. As a result, environmental review under CEQA can often extend well beyond the statutory timelines, contributing to uncertainty and delays in project approvals, especially for complex or controversial developments.

In a 2024 report, the Little Hoover Commission (Commission) found that debates over CEQA can function as a “proxy battle,” for other policy disputes, such as debates over land-use and local control.⁸ CEQA’s broad standing provisions allow virtually any party to file a lawsuit challenging the adequacy of a CEQA analysis, which can lead to costly and time-consuming delays even for projects that comply with all applicable state and local requirements. While CEQA litigation is often cited as a key barrier to housing production, the Commission finds that lawsuits are relatively rare in proportion to the overall number of projects subject to CEQA review.⁹ On average, approximately 200 CEQA lawsuits are filed annually, representing about 2% of all developments that are subject to CEQA.¹⁰ This low rate of litigation is partly attributable to CEQA’s broad applicability, as the vast majority of all projects subject to CEQA have minimal environmental impact, and can proceed under CEQA exemptions or some other form of streamlined review.¹¹ For example, fewer than 10% of housing projects, representing slightly under a quarter of the total number of residential units proposed in the timeframe and jurisdictions analyzed by the Commission, required the preparation of a full EIR.¹²

However, the Commission’s report also notes that when litigation does occur, it disproportionately targets housing developments, particularly multifamily and mixed-use projects.¹³ Approximately 25% of all CEQA lawsuits filed challenged residential or mixed-use housing, with many such lawsuits being filed for infill housing and transit-oriented developments, which are central to California’s housing and climate policy objectives.¹⁴ Research cited by the Commission suggests that litigation may disproportionately affect housing developments proposed in higher-income communities and in transit priority areas.¹⁵ Furthermore, the broader impact of CEQA litigation on housing development is difficult to measure. Beyond formal lawsuits, CEQA’s influence extends to project delays associated with preparing defensible environmental documentation, settlements between developers and opponents to avoid litigation, or the deterrent effect on projects never proposed due to the uncertainty and risk that going through CEQA review poses. The Commission concludes that while CEQA litigation is infrequent, its potential to disrupt critical housing production, particularly the types of projects aligned with state policy goals, warrants continued attention.

CEQA Exemptions for Housing Developments: Certain housing developments are currently exempt from CEQA review altogether, including projects that are:

- Ministerial (i.e., those that do not involve discretionary approvals);
- Covered by statutory exemptions enacted by the Legislature; or

⁸ Little Hoover Commission Report # 279, *CEQA: Targeted Reforms for California’s Core Environmental Law*, May 2024. Page 12

⁹ IBID.

¹⁰ IBID.

¹¹ IBID.

¹² IBID.

¹³ IBID.

¹⁴ IBID.

¹⁵ IBID.

- Eligible for categorical exemptions under CEQA Guidelines.

These exemptions are intended to streamline the approval process for housing developments that are typically unlikely to result in significant environmental impacts, especially in urban infill locations. However, the criteria for these exemptions are often narrow and challenging to use, particularly for larger or more complex projects. Categorical exemptions, such as the Class 32 Infill Development Exemption, are intended to streamline CEQA review for projects that are unlikely to cause significant environmental impacts, including small-scale housing developments on sites that are five acres or less in urbanized areas. However, local governments may hesitate to rely on these exemptions due to the risk of litigation. Under CEQA, even if a project meets all the technical criteria for a categorical exemption, opponents can challenge its use by claiming the presence of “unusual circumstances” that could result in significant environmental effects. This legal uncertainty creates a strong incentive for local agencies to conduct a full environmental review, even for projects that qualify, simply to avoid the time and cost of defending an exemption in court. Additionally, the strict requirements regarding traffic, noise, air quality, and water quality impacts further limit the practical application of Class 32 to smaller, less complex projects. As a result, categorical exemptions, while available in theory, are often underutilized in practice, especially for the types of larger infill housing developments needed to address California’s housing shortage.

In recent years, the Legislature has increasingly implemented statutory exemptions for infill housing developments in order to address the difficulties associated with CEQA compliance. These include statutory exemptions for:

- Accessory Dwelling Units (ADUs);
- Streamlined multifamily housing meeting certain criteria in jurisdictions falling short of their RHNA targets - SB 35 (Wiener, Chapter 366, Statutes of 2017) and SB 423 (Wiener, Chapter 778, Statutes of 2023);
- Lot splits and duplexes - SB 9 (Atkins, Chapter 162, Statutes of 2021);
- Mixed-income housing along commercial corridors - AB 2011 (Wicks, Chapter 647, Statutes of 2022);
- 100% affordable housing projects that meet certain locational criteria - AB 1449 (Alvarez), Chapter 761, Statutes of 2023;
- Affordable housing development on faith and independent higher-education organization-owned land - SB 4 (Wiener, Chapter 771, Statutes of 2023); and
- Qualifying infill housing development projects meeting specified size and locational standards - AB 130 (Committee on Budget), Chapter 22, Statutes of 2025.

These laws are designed to facilitate housing production by exempting certain projects from CEQA, and expediting approvals if they meet certain conditions. ADUs and SB 9 projects benefit from relatively broad statutory exemptions, as they target small-scale developments with minimal environmental impacts. More recently, AB 130 established a broader CEQA exemption pathway for infill housing projects that meet specified objective criteria related to site size, urban location, surrounding uses, and consistency with applicable planning standards. This exemption

is intended to address longstanding limitations of categorical exemptions, particularly for larger infill projects, by providing a more durable statutory pathway that is less vulnerable to legal challenge.

Specific to public university housing development projects, previous legislative efforts to streamline approvals include SB 886 (Wiener), Chapter 663, Statutes of 2022, which established a statutory exemption but imposed highly prescriptive requirements, such as LEED Platinum certification as a prerequisite to using the exemption, which limited its practical use. Subsequent legislation, SB 312 (Wiener) Chapter 284, Statutes of 2024, sought to address implementation challenges in SB 886 by modifying certain requirements, including allowing LEED certification to occur after project completion. However, stakeholders report that these frameworks remain difficult to utilize in practice.

This Bill: This bill expands an existing CEQA statutory exemption that currently applies to qualifying affordable housing projects, established by AB 1449 (Alvarez), to also include certain public university and public college housing projects. Specifically, this bill establishes a new category of “public university or public college housing project,” defined to include student, faculty, and staff housing on UC, CSU, and CCCC campuses, along with associated facilities, that meet specified labor, location, and site criteria.

This bill applies the existing CEQA exemption framework in Public Resources Code Section 21080.40 to these projects, including exempting specified actions, including the issuance of entitlements, land disposition, and related planning actions, from CEQA review. In doing so, this bill effectively extends to public higher education housing the same streamlined approval pathway currently available to qualifying affordable housing developments that meet infill, environmental, and labor requirements.

In addition to expanding the scope of eligible projects, this bill modifies certain requirements within the existing exemption framework that apply to both affordable housing projects and the newly covered public university and public college housing projects. Most notably, the bill replaces existing provisions related to tribal cultural resources with a requirement that the lead agency provide notice to, and consult with, California Native American tribes prior to project approval, and authorizes the imposition of conditions of approval to avoid or mitigate impacts to tribal cultural resources. This bill also maintains existing environmental and site eligibility requirements related to the existing CEQA exemption, such as those related to hazardous materials, environmental hazards, and site suitability, and applies them to public higher education housing projects.

Finally, the bill extends the sunset date for this CEQA exemption framework from January 1, 2033, to January 1, 2037.

Arguments in Support: The Student Homes Coalition, the bill sponsor, writes in support: “While the legislature has made significant progress towards CEQA streamlining, California has yet to pass an exemption that is workable for public student housing projects. Previous attempts to streamline UC and CSU housing specifically, namely SB 886 and SB 312, include financially burdensome requirements and as such have never been used. Rather than creating another new exemption, AB 1732 will build on existing pathways that have been proven effective for affordable housing projects. By expanding AB 1449 (2023) to include UCs, CSUs, and CCC housing projects, AB 1732 will ensure that California's public institutions have viable streamlined pathways in line with those currently available to private developers.”

Arguments in Opposition: None on file.

Committee Amendments: Add “or lead agency” to PRC 21080.40(b) as follows, to ensure that housing development projects by UCs, CSUs, and CCCs are covered:

(b) Subject to subdivision (c), this division does not apply to any of the following:

(1) The issuance of an entitlement by a public agency or lead agency for an affordable housing project or a public university or public college housing project.

(2) An action to lease, convey, or encumber land owned by a public agency or lead agency for an affordable housing project or a public university or public college housing project.

(3) An action to facilitate the lease, conveyance, or encumbrance of land owned or to be purchased by a public agency or lead agency for an affordable housing project or a public university or public college housing project.

Related Legislation:

AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, exempted qualifying infill housing development projects meeting specified size and locational standards from CEQA.

AB 1449 (Alvarez), Chapter 761, Statutes of 2023, exempted certain affordable housing projects from CEQA until 2033.

SB 312 (Wiener) Chapter 284, Statutes of 2024, sought to address implementation challenges in SB 886 by modifying certain requirements, including allowing LEED certification to occur after project completion.

SB 886 (Wiener), Chapter 663, Statutes of 2022, established a statutory exemption but imposed highly prescriptive requirements, such as LEED Platinum certification as a prerequisite to using the exemption, which limited its practical use.

Double-Referred: This bill was also referred to the Committee on Natural Resources, where it passed with a vote of 13-0 on April 13, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

Student Homes Coalition (Sponsor)
 University of California Student Association (Sponsor)
 21st Century Alliance
 Abundant Housing LA
 ASUCD Housing and Transportation Advocacy Committee
 California Apartment Association
 California College Democrats
 California Faculty Association
 California School Employees Association
 California YIMBY
 Chris Ricci - Modesto City Councilmember

City of Culver City
City of Gilroy Council Member Zach Hilton
City of Monterey Park
College Democrats At UC Irvine
Davis College Democrats
GenerationUp, Incorporated
Inner City Law Center
Santa Monica Community College District
Student Homes At SJSU
Student Homes At UCLA
Student Homes At UCSB
Student Homes At UCSD
UC San Diego Triton Lobby Corps
UCLA Undergraduate Student Association Council
Urban Studies Student Association
YouthBridge Housing

Opposition

None on file.

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