

This bill:

- 1) Adds public university and college housing projects to an existing exemption for affordable housing projects, without requiring affordability-based deed restrictions for these projects.
- 2) Defines "public university or public college housing project" as one or more housing facilities to be occupied by students, faculty, or staff of one or more campuses of the University of California (UC), California State University (CSU), or California Community Colleges, (CCCs) including dining, academic, student support service spaces, and other necessary and usual attendant and related facilities and equipment.
- 3) Extends the exemption's sunset from 2033 to 2037.

Background

California's Housing Crisis. California faces a severe housing shortage. A variety of factors have contributed to the lack of housing production. The Statewide Housing Plan adopted by the Department of Housing and Community Development in 2022 found California needs approximately 2.5 million units of housing, including one million units affordable to lower income households, to address this mismatch over the next eight years. That would require production of over 300,000 units a year, including over 120,000 units a year of housing affordable to lower income households. However, production in the past decade has lagged at under 100,000 units per year – including less than 10,000 units of affordable housing per year.

Comments

- 1) *Author's statement.* "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.”

- 2) *Zoning codes and designations.* Zoning codes are generally adopted by cities and counties to identify allowable activities (e.g., office, retail, housing, etc.) as well as the allowed intensity of those activities (e.g., height, density, etc.) in specific areas of their jurisdiction. Zoning codes are as varied as cities and counties themselves. Some jurisdictions opt for broad, all-encompassing zoning designations that allow multiple uses. Others adopt remarkably specific zoning designations that regulate allowable uses to a fine degree of detail. In addition to identifying the types of uses allowed (and not allowed) within a specific zone, cities and counties may denote the conditions under which a use is allowed. For example, a city may allow single-family housing construction as a use by right in a low density residential zone, but require a conditional use permit for multifamily developments of more than five units in that same zone.

Cities and counties may also grant variances from strict application of the code to allow developments that otherwise would not comply with the strict interpretation of the zoning code. The process for granting a variance may be embedded in the zoning code and is typically subject to a hearing by the zoning administrator or the legislative body of the city or county.

- 3) *Zoning ordinances and CEQA.* CEQA establishes a process for evaluating the environmental effects of a project. Under CEQA, a local agency carrying out a discretionary project must first determine if the project may have a significant effect on the environment. Projects can include jurisdiction-wide efforts such as the update of a general plan, approval of jurisdiction-wide contracts (e.g., waste hauling contracts or water service), and zoning ordinance amendments. A project can also include individual development actions such as the approval of housing developments, stadiums, gas storage facilities, and other types of developments. In the case of any discretionary project, if a local agency finds that the potential for significant environmental impacts exists, CEQA requires the agency to prepare and certify the completion of an environmental impact report (EIR). While CEQA includes certain statutory and categorical exemptions, the provisions of CEQA explicitly apply to “discretionary projects proposed to be carried out or approved by public agencies, including, but not limited to, the enactment and amendment of zoning ordinances, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps unless the project is exempt from this division.” (Emphasis added).

- 4) *Housing development projects and CEQA generally.* In light of the state’s ongoing housing crisis, the Legislature created several statutory exemptions from CEQA for specific types of housing development projects in order to increase the production of housing. The Legislature also created several statutory schemes that require local governments to approve specified housing development projects ministerially. Ministerial approvals remove a project from all discretionary decisions of a public agency and thus are not subject to CEQA which only applies to discretionary approvals.

Bypassing CEQA can provide a tremendous benefit to property owners, developers, local governments and other parties involved in the approval of a project as it allows for the project to be completed in an expedited fashion. The Legislature balances the risk of allowing projects to proceed without a full environmental review by ensuring that these projects comply with scores of objective standards and criteria and that they are not located on environmentally sensitive sites. These standards and criteria ensure that exempt projects do not result in harm to public health and safety and the environment.

- 5) *Affordable housing, schools, and CEQA.* AB 1449 (Alvarez, Chapter 761, Statutes of 2024), amended CEQA to exempt 100% affordable housing projects funded by low-income housing tax credits (LIHTC) from CEQA. 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). AB 1021 (Wicks, Chapter 503, Statutes of 2025) expanded the CEQA exemption created by AB 1449 to cover affordable housing developments on properties owned by local education agencies.

This bill adds public university and public college housing projects that will be occupied by students, faculty or staff of a UC, CSU or CCC campus to the projects that are covered by the AB 1449 CEQA exemption.

Related/Prior Legislation

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

AB 2011 (Wicks, Chapter 647, Statutes of 2022) — 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, June 24th, 2026.)

SUPPORT:

Student Homes Coalition (Sponsor)
21st Century Alliance
Abundant Housing Los Angeles
Bay Area Council
California Apartment Association
California Community Colleges Chancellor's Office
California Faculty Association
California School Employees Association
California Yimby
Circulate Planning & Policy
City of Gilroy Council Member Zach Hilton
City of Monterey Park
Davis College Democrats
Fieldstead and Company, INC.
Housing Action Coalition
Inner City Law Center
San Diego Housing Commission
San Diego Housing Federation
San Diego Regional Chamber of Commerce
Spur
Student Homes At Sjsu
Student Homes At Ucla
Student Homes At Ucsb
Student Homes At Ucsd
The Two Hundred for Homeownership
University of California
University of California Student Association
Youthbridge Housing

OPPOSITION:

None received.

-- END --