
THIRD READING

Bill No: AB 1732
Author: Alvarez (D) and Wicks (D), et al.
Amended: 8/3/26 in Senate
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 6/24/26
AYES: Blakespear, Valladares, Allen, Dahle, Gonzalez, Hurtado, Menjivar

SENATE HOUSING COMMITTEE: 9-0, 6/30/26
AYES: Arreguín, Seyarto, Cabaldon, Caballero, Cortese, Durazo, Grayson, Ochoa
Bogh, Padilla
NO VOTE RECORDED: Gonzalez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 5/27/26 - See last page for vote

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

SOURCE: Author

DIGEST: This bill adds public university and college housing projects (for students, faculty, and staff) to an existing California Environmental Quality Act (CEQA) exemption for affordable housing projects and extends the exemption's sunset from 2033 to 2037.

ANALYSIS:

Existing law:

- 1) Under CEQA, a lead agency determines whether a project is exempt from CEQA, or if it must do an initial study to determine if a project will have

significant effects on the environment. If a project has no effect on the environment or effects that can be mitigated, the lead agency prepares a negative declaration (ND) or mitigated ND (MND). If the project will have significant impacts, the lead agency prepares an environmental impact report (EIR) to evaluate and propose mitigation measures for any effects on the environment, including impacts or likely impacts to land, air, water, minerals, flora, fauna, ambient noise, and historic or aesthetic significance. (Public Resources Code (PRC) §§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 in AB 1449 (Alvarez, Chapter 761, Statutes of 2023) meeting the following criteria:
 - a) 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:
 - i) All residential units, excluding managers’ units, are dedicated to lower income households; or
 - ii) The project is on a site owned by a local educational agency and complies with specified affordability requirements.
 - b) 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.
 - c) Requires the affordable housing project to be located on infill areas meeting the following criteria for the parcel or parcels:
 - i) 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;
 - ii) Within one-half mile walking distance of a major transit stop or high-quality transit corridor;
 - iii) In a very low VMT area; or
 - iv) Proximal to specified amenities.
 - d) Requires the project to meet specified site and environmental conditions

- e) Requires the lead agency, when applying this exemption, to file a notice of exemption with the Governor's Office of Land Use and Climate Innovation (LCI) and the county clerk.
- f) Sunsets the CEQA exemption above, on January 1, 2033.

This bill:

- 1) Expands an existing CEQA exemption for qualifying affordable housing projects established in AB 1449 (Alvarez, 2023) to also apply to public university or public college housing projects and related actions (including amendments to long range development plans to allow for affordable housing) if they meet the following criteria:
 - a) Labor standards established in AB 2011 (Wicks, Chapter 647, Statutes of 2022);
 - b) The project is located on parcels in these 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, or a public college or university shuttle;
 - iv) In a very low VMT area; or
 - v) Proximal to 6 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 3 sides of a 4-sided site.
 - d) The project is not located on any of the following sites as specified:
 - i) A vacant site that contains tribal cultural resources that could be affected by the development that were found pursuant to a consultation process;
 - ii) A coast zone, as specified;
 - iii) Either prime farmland or farmland of statewide importance;
 - iv) Wetlands;
 - v) Within a very high fire hazard severity zone;
 - vi) A hazardous waste site;
 - vii) Within a delineated earthquake fault zone;

- viii) Within a flood plain;
 - ix) Within a floodway;
 - x) Lands identified for conservation in an adopted natural community conservation plan, habitat conservation plan, or other adopted natural resource protection plan;
 - xi) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973, the California Endangered Species Act, or the Native Plant Protection Act, as specified; or,
 - xii) Lands under conservation easement.
- e) Requires that sites be evaluated for hazardous substances in a phase one environmental assessment and preliminary endangerment assessment as needed, and requires mitigation if any hazardous substances are found to exist on the site.
- f) Requires that the site be set back 500 feet from a freeway and 3200 feet from a facility that actively extracts or refines oil or natural gas.
- 2) 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.

Background

- 1) *The A, B, C's of CEQA*. CEQA is an environmental planning law designed to (a) make government agencies and the public aware of the environmental impacts of a proposed project, (b) ensure the public can take part in the review process, and (c) identify and implement measures to mitigate or eliminate any negative impact the project may have on the environment.

CEQA is enforced by civil lawsuits that can challenge any project's environmental review, and it is the only state environmental law that allows civil suits. Under CEQA, projects (unless they have a specific exemption) must undergo environmental analysis.

This process starts with an initial study which determines what level of further environmental review is needed for a given project. If a project has no significant effects on the environment, or if those effects can be fully mitigated, the project can move forward with an ND or mitigated MND. If the initial

study finds the project has potential significant effects on the environment, then a full EIR is conducted. An EIR provides a thorough environmental review of a proposed project, analyzing the significant direct and indirect environmental impacts of a proposed project. The EIR also includes proposed mitigation measures for any significant effects that it identifies and considers alternatives to the proposed project.

- 2) *CEQA exemptions.* A project is exempt from CEQA if it is ministerial (i.e., it does not involve discretionary decisions), or if there is a specific statutory or categorical exemption that applies to the project. Statutory exemptions are created by the Legislature and apply even if a project has the potential to significantly affect the environment. In contrast, categorical exemptions, which are listed in the CEQA guidelines, generally do not apply if there are significant environmental impacts associated with the project.
- 3) *CEQA exemptions for infill and student housing.* Numerous exemptions already exist for infill housing. Primary among these is the very broad infill housing exemption passed in 2025 in AB 130 (AB 130, Chapter 22, Statutes of 2025).

Existing law also already includes a specific exemption for student housing at the UCs. The exemption for student housing at the UCs was initially developed in 2022 through SB 886 (Wiener, Chapter 663, Statutes of 2022), and was later revised in 2024 through SB 312 (Weiner, Chapter 284, Statutes of 2024). To qualify for the CEQA exemption for student and faculty housing projects, universities had to attain very high environmental and labor criteria, including requirements that the project be consistent with the university's long range development plan, that the project be eligible for LEED platinum, that the project does not result in any additional GHGs, that the project meets certain labor criteria, and that the project is not located in sensitive sites as defined.

- 4) *Need for student housing.* A recent report from the Public Policy Institute of California (PPIC) shows that students spend more on housing than tuition while attending public university.¹ 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

¹ [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).)

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 Regional Housing Needs Assessment (RHNA) process by the California Department of Housing & Community Development (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.² 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.³

Comments

- 1) *Purpose of Bill.* 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.”

² 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

³ <https://lao.ca.gov/reports/2024/4898/Update-on-Student-Housing-Assistance-050724.pdf>

- 2) *Intuitive infill definition.* The CEQA exemption for a campus housing proposed in AB 1732 is restricted to infill areas as defined in AB 1449. AB 1449 established a definition of infill that is broader than what had previously been considered in the CEQA guidelines and directly speaks to the experience of residents living in the housing being developed. This definition of infill requires that three sides of a parcel be surrounded by urban uses, has urban density requirements, and specifies that eligible areas are within walking distance to either a high-quality transit corridor or a major transit stop and be in a very low vehicle travel area, among others. These criteria serve a dual purpose: they add important guardrails to ensure that the more permissive definition of urban infill does not result in increased VMT and makes it easier to identify which geographic areas are eligible for this exemption. This last piece is possible because the office of land use and climate innovation (LCI) maintains a “site check” mapping tool that identifies, among other variables, areas of the state that meet the very-low VMT threshold.

A search of CEQAnet, the statewide database of CEQA documents, shows that the AB 1449 CEQA exemption for affordable infill housing has been used 10 times since it became the law in 2023, with almost all of these uses occurring in 2026. This demonstrates that the AB 1449 criteria, which now apply to university and college housing under AB 1732, are useable.

Related/Prior Legislation

AB 1449 (Alvarez, Chapter 761, Statutes of 2023) exempts from CEQA, until 2033, the planning, funding, and development of affordable housing projects, as defined, that meet specified location and labor requirements established in AB 2011.

SB 312 (Weiner, Chapter 284, Statutes of 2024) relaxes several conditions attached to the CEQA exemption for public university housing projects established by SB 886 (Wiener) in 2022.

SB 886 (Wiener,, Chapter 663, Statutes of 2022) provided a CEQA exemption until January 1, 2030, for certain UC, CSU, and CCC faculty, staff, and student housing projects if they meet certain environmental standards.

AB 130 (Assembly Committee on Budget, Chapter 22, Statutes of 2025) creates a CEQA exemption for a housing development project (i.e., projects where at least

two-thirds of the square footage is residential) that is up to 20 acres and in an infill area and not located on a sensitive site.

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

- Unknown costs, possibly in the low hundreds of thousands of dollars per project (General Fund or other fund), for public postsecondary institutions to meet the requirements of this bill. Project costs could include needing to meet prevailing wage requirements and, for projects of 50 or more residential units, apprenticeship and healthcare expenditure standards; completing a phase I environmental assessment and, if a recognized environmental condition is found, a preliminary endangerment assessment; and verifying that the project site meets specified location and adjacency criteria. To the extent that the labor standards exceed the institution's existing public works obligations, per-project construction costs could be higher, potentially in amounts that exceed the administrative costs of the exemption. These costs would be incurred only where an institution elects to use the exemption and would likely be offset by cost savings due to being exempt from CEQA.
- Minor costs for lead agencies to confirm that qualifying projects satisfy the specified site and environmental criteria and to file notices of exemption with the Governor's Office of Land Use and Climate Innovation and the county clerk.

SUPPORT: (Verified 8/13/26)

21st Century Alliance
 Abundant Housing L.a.
 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
 San Diego Housing Commission

San Diego Housing Federation
San Diego Regional Chamber of Commerce
San Francisco Bay Area Planning & Urban Research Association
Spur
Student Homes At Sjsu
Student Homes At Ucla
Student Homes At Ucsb
Student Homes At Ucsd
Student Homes Coalition
The Two Hundred
The Two Hundred for Homeownership
University of California
Youthbridge Housing

OPPOSITION: (Verified 8/13/26)

None received

ASSEMBLY FLOOR: 78-0, 5/27/26

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

NO VOTE RECORDED: Pellerin, Celeste Rodriguez

Prepared by: Brynn Cook / E.Q. / (916) 651-4108
8/14/26 15:27:57

**** **END** ****