

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2074 (Haney) – As Amended April 9, 2026

SUBJECT: Regional transit hub districts: downtown housing developments

SUMMARY: Requires major transit cities to designate high-density downtown transit hub districts where qualifying housing developments are allowed by right, subject to specified labor and affordability standards, and establishes a state revolving loan fund to support their construction.

EXISTING LAW:

- 1) The California Environmental Quality Act (CEQA) requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA statute and guidelines provide multiple exemptions for residential projects. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires ministerial approval (i.e., not subject to CEQA or other discretionary review by the relevant city or county) of both affordable and market-rate multifamily housing projects until 2036, provided specified construction labor requirements are met, while excluding the following 11 categories of environmentally sensitive sites.
 - a) Coastal zone, with specified exceptions.
 - b) Prime farmland or farmland of statewide importance.
 - c) Wetlands.
 - d) Very high fire hazard severity zones, with specified exceptions.
 - e) Hazardous waste site.
 - f) Delineated earthquake fault zone.
 - g) Special flood hazard area.
 - h) Regulatory flood way.
 - i) Lands identified for conservation.
 - j) Habitat for protected species.
 - k) Lands under conservation easement.

(Government Code (GC) 65913.4)

- 3) Requires ministerial approval of housing development projects within a specified distance of major transit stops. (GC65912.157)
- 4) Requires ministerial approval of certain infill multifamily affordable housing projects that are located on land that is zoned for retail, office, or parking. (GC 65912.100-65912.140)
- 5) Requires ministerial approval for certain office-to-housing development projects. (GC 51299 *et seq.*)

THIS BILL:

- 1) Defines for purposes of the bill:
 - a) “Downtown housing development” means a housing development project within a regional transit hub district.
 - b) “Fund” means the Downtown Revitalization Loan Fund.
 - c) “Major transit city” means a city with a population of at least 400,000 in the most recent decennial census that contains at least two transit-oriented development stops.
 - d) “Regional transit hub district” (district) means a district of a minimum size, as specified by 2), surrounding a transit stop designated by a city.
- 2) Requires each major transit city to comply with the applicable of the following:
 - a) A major transit city with a population of at least 400,000 and less than 1,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 0.5 square miles.
 - b) A major transit city with a population of at least 1,000,000 and less than 2,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 1 square mile.
 - c) A major transit city with a population of at least 2,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 1.5 square miles.
- 3) Provides that a city that is not a major transit city may designate a district.
- 4) Provides that designation of a district pursuant to this bill shall not be considered a “project” for purposes of CEQA.
- 5) Requires districts to be a contiguous area of at least .25 square miles containing at least one transit-oriented development stop.
- 6) Requires that a downtown housing development be an allowable use in a district. Provides that a downtown housing development in a district is subject to all of the following:

- a) Prohibits a city from setting a maximum height limit lower than 150 feet.
 - b) Requires at least 25% of the total area of all districts within a city to allow a maximum height of 450 feet.
 - c) Prohibits a city from setting a maximum floor area ratio lower than 6.
 - d) Requires at least 25% of the total area of all districts within a city to allow a maximum floor area ratio of at least 12.
 - e) Prohibits a city from setting a maximum density of less than 200 dwelling units per acre.
 - f) Prohibits at least 25% of the total area of all districts in a city from having a maximum density limit.
- 7) Allows a city to set other objective zoning standards, objective subdivision standards, and object design review standards related to a downtown housing development within a district that are consistent the requirement of 6).
- 8) Applies the following to a downtown housing development:
- a) Labor Standards pursuant to SB 423 (Wiener), Chapter 778, Statutes of 2023 (SB 423).
 - b) Ability to qualify for a density bonus, incentives or concessions, waivers or reductions of development standards, or parking ratios pursuant to Density Bonus Law (DBL) or a local density bonus, using the requirements of the bill as the base density.
 - c) Provides eligibility for streamlined ministerial approval pursuant to SB 423 without meeting the standards for a project under SB 423, except that the downtown housing development project is still restricted from using the ministerial process in SB 423 if the project is on an environmentally sensitive site.
 - d) Requires the local government to, as a condition of approval, require the development proponent to complete a phase I environmental assessment.
 - e) Requires a minimum density of 60 dwelling units per acre.
 - f) Meets the affordability requirements established in SB 79 (Wiener), Chapter 512, Statutes of 2025, for projects containing more than 10 units or the local inclusionary housing requirement, whichever has a higher percentage of affordable units or deeper level of affordability.
 - g) Requires the development proposed pursuant to the bill to comply with any applicable local demolition and anti-displacement standards established through a local ordinance.
 - h) Prohibits the downtown housing development from being located on either of the following:

- i) A site with more than two units of housing subject to any form of rent or price control, was occupied by tenants within the past seven years, and the development would require the demolition of those housing units.
 - ii) A site that was previously used for more than two units of housing that was subject to rent or price control and the units were demolished within 7 years before the development proponent submitted an application.
 - i) Prohibits the demolition of any individually landmarked property on a local, state, or federal historic register.
 - j) Requires consistency with the height, noise, and safety standards of an adopted airport land use compatibility plan or Department of Defense Air Installation Compatible Use Zone, as specified.
- 9) Establishes the Fund within the State Treasury:
- a) Provides that moneys deposited and maintained in the Fund are continuously appropriated without regard to fiscal year to the California Housing Finance Agency (CalHFA).
 - b) Provides that moneys in the Fund may be loaned to an applicant to develop a downtown housing development, subject to all of the following conditions:
 - i) The loan shall be a simple-interest loan at an interest rate that is the same or less than the rate of interest earned on moneys in the Pooled Money Investment Account, determined as of the date of disbursement of the loan.
 - ii) The amount loaned shall not exceed 30% of the project cost.
 - iii) The applicant shall repay the loan, including interest, after completion of the development, as specified in the terms of the loan.
 - c) Provides that moneys received from repayments of loans shall be deposited into the Fund and shall be available to make new loans.
 - d) Allows CalHFA to adopt necessary rules and regulations to create and administer the Fund, including, but not limited to, rules or regulations governing the issuance or timing of loans from the Fund.
 - e) Allows CalHFA to adopt those regulations as emergency regulations under the Administrative Procedures Act.
- 10) Finds and declares that this bill serves a public purpose of helping to address the statewide housing crisis and loans issued pursuant to this subdivision do not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

FISCAL EFFECT: Unknown

COMMENTS:**1) Author's statement:**

California's downtowns are at a crossroads. In the wake of the pandemic, many of our city centers are struggling with high vacancy rates, declining foot traffic, and reduced economic activity. At the same time, we continue to face a severe housing shortage, especially in the very places where housing makes the most sense: near jobs, transit, and existing infrastructure. AB 2074 responds to both of these challenges by creating a clear, statewide framework to support high-density housing in our downtown cores while ensuring that the jobs created are high-quality, family-supporting jobs.

This bill establishes regional transit hub districts in major cities and sets baseline zoning standards that allow for meaningful mixed-use and residential high-rise development, while providing a streamlined approval pathway for projects that meet affordability and strong labor standards. It also creates a revolving loan fund through CalHFA to help address one of the most significant barriers to building housing today: access to early-stage financing. By pairing housing production with robust labor protections and financial tools, AB 2074 is designed to unlock housing, support good-paying jobs, and bring new life to our downtowns.

- 2) **Triple referral.** This bill was approved by the Housing and Community Development Committee by a vote of 10-1 on April 8, and by the Local Government Committee by a vote of 8-1 on April 15.

REGISTERED SUPPORT / OPPOSITION:**Support**

Anthony Tordillos, Councilmember, City of San Jose
California YIMBY
Circulate Planning & Policy
State Building & Construction Trades Council of California

Opposition

Equitable Land Use Alliance
Families and Homes San Jose (unless amended)
Mission Street Neighbors

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