CONCURRENCE IN SENATE AMENDMENTS
AB 2074 (Haney)
As Amended August 21, 2026
Majority vote

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 requires the California Housing Finance Agency (CalHFA) to conduct a housing construction loan and financing study by March 1, 2028, as specified.

Senate Amendments
Amendments taken in the Senate:

1) Removed the revolving loan fund provisions from the bill and replaced them with a CalHFA housing construction loan and financing study;

2) Make several changes to the establishment of the downtown transit hub districts; and

3) Require the California Department of Housing and Community Development (HCD) to notify a local government if they are in violation of this bill, permit HCD to notify the attorney general if a local government is in violation of this bill

COMMENTS

This Bill: This bill establishes a statewide framework to facilitate high-density housing development in downtown, transit-rich areas by requiring certain large cities with a population of at least 400,000 in the 2020 U.S. Census with at least two qualifying transit-oriented development (TOD) stops to designate "regional transit hub districts" of a specified minimum size based on population. Under the bill, Los Angeles (population over 2,000,000) must designate at least 1.5 square miles; San Diego and San Jose (population between 1,000,000 and 2,000,000) must designate at least 1 square mile; and San Francisco, Sacramento, Long Beach, and Oakland (population between 400,000 and 1,000,000) must each designate at least 0.5 square miles in districts, based on 2020 Census populations. Other cities may opt in and elect to designate a regional transit hub district.

Within these districts, this bill establishes minimum zoning standards that local governments must allow, including a base maximum height of at least 150 feet, with at least 25% of the district permitting heights of at least 450 feet; a minimum floor area ratio (FAR) of 6, with at least 25% of the district allowing an FAR of at least 12; a minimum density of 60 dwelling units per acre, and a density cap of no less than 200 dwelling units per acre, with at least 25% of the district allowing unlimited density. This bill prohibits cities from imposing lower caps and requires that housing be an allowable use throughout these areas, while still permitting local governments to adopt other zoning standards that do not conflict with these minimum thresholds. In effect, this bill establishes a statewide zoning floor overlay for downtown areas, increasing allowable development intensity in proximity to major transit.

Within these designated districts, qualifying "downtown housing developments" are subject to additional requirements and benefits. Projects must meet the same labor requirements currently included in SB 423 (Wiener), Chapter 778, Statutes of 2023, the same affordability requirements included in SB 79 (Wiener), Chapter 512, Statutes of 2025, and satisfy site eligibility and anti-displacement provisions. These qualifying downtown housing developments are eligible for ministerial, streamlined approval and are exempt from discretionary review processes, while still requiring environmental site assessments and remediation where necessary. Projects may also layer on additional incentives through the Density Bonus Law (DBL), with this bill's zoning standards serving as the applicable base zoning for calculating concessions, incentives, waivers, and reductions of development standards.

In addition, this bill requires CalHFA to complete a housing construction loan and financing study by March 1, 2028. The study must include an analysis of existing construction loan programs and housing construction loan programs in the state, an assessment of current gaps in housing construction loan availability for a state housing construction loan program, a case study analysis, recommendations for how a state construction loan program could function and facilitate various types of housing developments, an analysis of state resources needed to establish the revolving loan fund, recommendations to mitigate increased lending risks and maximize the leverage of state funds, feedback and input from stakeholders, and recommendations for implementation for a state construction loan program, including actions that do not require legislation.

According to the Author
"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."

Arguments in Support
California Yes in my Backyard (YIMBY), one of the bill sponsors, writes in support: "By requiring cities to designate transit-rich districts and allow substantial residential capacity, AB 2074 will unlock new housing opportunities in the places where homes are most sustainable, accessible, and economically productive—near jobs, transit, and existing infrastructure. This approach helps ensure that California's growth is directed to areas best suited to support vibrant, transit-oriented communities while reducing barriers that too often delay or prevent housing construction."

Arguments in Opposition
None on file for current bill version.

FISCAL COMMENTS

According to the Senate Appropriations Committee:

1) CalHFA estimates one-time costs of up to $250,000 to conduct the required study, including contracted data analysis and staff time for coordination with stakeholders, data collection, and preparation of the final report. (General Fund)

2) The Department of Housing and Community Development (HCD) estimates ongoing costs of approximately $236,000 annually for 1.0 PY of staff to update guidelines related to streamlined and ministerial provisions, and respond to an expected significant increase in technical assistance inquiries from housing advocates, local agencies and developers related to compliance with the bill, designation of districts, and processing of applications. (General Fund)

3) The Department of Industrial Relations (DIR) estimates Labor Commissioner's Office costs of approximately $1.1 million in the first year and $1 million annually ongoing for oversight and enforcement activities related to prevailing wage and apprenticeship standards on projects constructed pursuant to the provisions of this bill. There would also be penalty revenue gains, potentially in the hundreds of thousands of dollars annually, to partially offset these costs. Actual costs and penalty revenues would depend upon the number of qualifying projects constructed under this bill and the number of complaints and referrals to the Division of Labor Standards and Enforcement that require enforcement actions, investigations, and appeals. (State Public Works Enforcement Fund)

4) Unknown local mandated costs. The bill would impose new costs on seven major transit cities to establish regional transit hub districts and to revise planning requirements and considerations for specified housing development projects within those districts. These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates. (local funds)

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 10-1-1
YES: Haney, Patterson, Ward, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Wicks, Wilson
NO: Tangipa
ABS, ABST OR NV: Ta

ASM LOCAL GOVERNMENT: 8-1-1
YES: Carrillo, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson
NO: Johnson
ABS, ABST OR NV: Ta

ASM NATURAL RESOURCES: 11-3-0
YES: Bryan, Connolly, Garcia, Haney, Hoover, Kalra, Muratsuchi, Pellerin, Schultz, Wicks, Zbur
NO: Ellis, Alanis, Macedo

ASM APPROPRIATIONS: 12-2-1

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Dixon, Tangipa
ABS, ABST OR NV: Ta

ASSEMBLY FLOOR: 64-6-10
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio, Dixon, Macedo, Sanchez, Tangipa, Wallis
ABS, ABST OR NV: Castillo, Flora, Gallagher, Hadwick, Johnson, Lackey, Quirk-Silva, Celeste Rodriguez, Schiavo, Ta

UPDATED

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