
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator Maria Elena Durazo, Chair

2025 - 2026 Regular

Bill No: AB 2118

Author: Hoover

Version: 4/27/26

Hearing Date: 6/23/26

Fiscal: Yes

Consultant: Favorini-Csorba

AFFORDABLE HOUSING AND HIGH ROAD JOBS ACT OF 2022: USE BY RIGHT: OBJECTIVE STANDARDS

Provides that objective standards imposed by a local agency cannot prohibit or otherwise limit mixed-use development in a housing development project.

Background

The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory “elements,” including a housing element that establishes the locations and densities of housing, and a land use element that describes the general categories of uses (such as multifamily residential, single family residential, retail commercial, and open space) that are allowed in specific portions of a jurisdiction. Cities’ and counties’ major land use decisions—including zoning ordinances and other aspects of development permitting—must be consistent with their general plans. General plans also include policies, standards, and mitigation measures that developments must comply with, to protect against flood hazards, fire hazards, and climate change, and to further environmental justice, among other state goals.

Local governments use their police power to enact zoning ordinances that establish the types of land uses that are allowed or authorized in an area. Zoning ordinances also contain provisions to physically shape development and impose other requirements, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks, and lot coverage ratios. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations.

Affordable Housing and High Road Jobs Act of 2022. One focus of housing legislation in recent years has been on allowing residential development on commercial sites. Development on these sites can draw less concern from local communities relative to development in residential areas because there are fewer existing residents. One significant measure the Legislature enacted

to facilitate this development was the Affordable Housing and High Road Jobs Act of 2022 (AB 2011, Wicks).

AB 2011 allows, until January 1, 2033, a development proponent to submit an application for an affordable housing development or a mixed-income housing development that meets specified objective standards, affordability and site criteria, including being located within a zone where office, retail, or parking are a principally permitted use. It also makes a development that meets those objective standards, affordability and site criteria a use by right and subject to one of two streamlined, ministerial review processes depending on, among other things, the affordability requirements applicable to the project.

To qualify for AB 2011, a project must meet or exceed one of the following affordability requirements:

- For rental units either of the following: (1) 15% of the units are affordable to lower-income households for 55 years; or (2) 8% of the units for very low-income households and 5% for extremely low income households for 55 years; or
- For owner-occupied units, 30% of the units are affordable to moderate-income or 15% affordable to lower-income households for 45 years.

A local government can apply local affordable housing requirements, and in that case, the affordable units required to qualify for AB 2011 count towards meeting the local affordability requirement, as specified.

AB 2011 also requires the Department of Housing and Community Development (HCD) to produce studies in 2027 and 2031 on the outcomes of the Affordable Housing and High Road Jobs Act of 2022.

An AB 2011 project must comply with the objective standards that apply to the closest zone in the city or county that allows multifamily residential use at the residential density proposed by the project. If no zone exists, then the applicable objective standards are those within the city or county that allow the greatest density. The standards cannot prevent a development from being built at the minimum density required by the law or require a reduction in unit sizes.

Since the enactment of AB 2011, issues have arisen as developers have attempted to use it. Because AB 2011 applies the standards from the closest zone that allows multifamily residential use, those standards do not always permit commercial uses. This has limited the ability of developers to design mixed-use projects that include uses such as retail or office space. The Student Homes Coalition wants the Legislature to loosen the restrictions on commercial development that cities and counties can impose on an AB 2011 project.

Proposed Law

Assembly Bill 2118 provides that objective standards imposed by a local agency cannot prohibit or otherwise limit mixed-use development in a housing development project. It also makes technical and clarifying changes.

Comments

1. Purpose of the bill. According to the author, “California continues to face a severe housing crisis with soaring home prices and rents making it increasingly difficult for residents to find affordable and safe housing. Despite ongoing efforts to develop affordable and mixed-income housing, developers still face regulatory hurdles that slow the construction of new units. Building on the pathway created by AB 2011 (2022), AB 2118 clarifies existing statute to allow for mixed-use projects and ensure both local and state permits are subject to streamlined approval. With added clarity we promote the development of new units and provide more opportunities for affordable housing.”

2. Let’s be clear. Cities and counties establish zoning standards that specify which uses may be permitted in a given area in their jurisdiction. The underlying principle of these zoning requirements is to ensure that neighboring uses are compatible with one another and don’t cause harm to residents or undue limitations on business activities. AB 2118 blocks cities and counties from imposing objective standards that prohibit or otherwise limit commercial uses contained within an AB 2011 project. The broad phrasing of this provision could be construed to overrule any local standards intending to ensure compatibility among uses, thereby allowing developers to propose projects with commercial uses in AB 2011 projects that may have impacts on the residents of the development or surrounding properties. However, some uses, such as retail, restaurants, and office space can be collocated with residential or other commercial uses without raising significant issues. To ensure that AB 2118 allows projects that need commercial uses for financial feasibility to move forward without allowing incompatible uses, the Committee may wish to consider amending AB 2118 to provide that objective standards may not prohibit or limit restaurant, retail, or office uses, or uses authorized in the underlying zoning.

3. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 2118 changes the criteria local agencies must follow for the approval of certain development projects, Legislative Counsel says that it imposes a new state mandate. AB 2118 disclaims the state’s responsibility for providing reimbursement by citing local governments’ authority to charge for the costs of implementing the bill’s provisions.

4. Charter city. The California Constitution allows cities that adopt charters to control their own “municipal affairs.” In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn’t define “municipal affairs,” the courts determine whether a topic is a municipal affair or whether it’s an issue of statewide concern. AB 2118 says that it applies to all cities, including charter cities. To support this assertion, the bill includes a legislative finding and declaration that the provision of adequate housing, in light of the severe shortage of housing at all income levels in the state, is a matter of statewide concern.

5. Incoming! The Committee on Housing approved AB 2118 at its June 16th hearing by a vote of 10 to 0. The Committee on Local Government is hearing the measure as the committee of second reference.

Assembly Actions

Assembly Natural Resources Committee:	12-0
Assembly Appropriations Committee:	14-0
Assembly Floor:	73-1

Support and Opposition (6/19/2026)

Support: Student Homes Coalition (Sponsor)

Abundant Housing Los Angeles
California Council for Affordable Housing
California Yimby
Circulate Planning & Policy
East Bay Yimby
Fieldstead and Company, INC.
Grow the Richmond
Housing Action Coalition
Inner City Law Center
Monterey Bay Economic Partnership
Mountain View Yimby
Napa-solano for Everyone
Northern Neighbors Sf
Peninsula for Everyone
San Diego Housing Federation
San Francisco Yimby
San Jose Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
South Bay Yimby
Spur
The Two Hundred for Homeownership
Ventura County Yimby
Yes! in Redwood City
Yimby Action
Yimby Los Angeles
Yimby Monterey Peninsula
Yimby Slo

Opposition: None Submitted

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