CONCURRENCE IN SENATE AMENDMENTS
AB 2118 (Hoover)
As Amended August 21, 2026
Majority vote

SUMMARY

Makes minor changes to the Affordable Housing and High Road Jobs Act of 2022 established by AB 2011 (Wicks), Chapter 647, Statutes of 2022.

Senate Amendments
Amendments taken in the Senate:

1) Define "mixed-use development" to mean a mix of residential and any of the following uses:

   a) Office, retail, or restaurant uses; and

   b) Uses authorized by the zoning standards applicable to the parcel.

2) Address chaptering conflicts.

COMMENTS

California's Housing Crisis: California's housing crisis is a half-century in the making. After decades of underproduction, supply is far behind demand, and housing costs are soaring. One in three households in the state doesn't earn enough money to meet their basic needs. HCD determined that California must plan for more than 2.5 million new homes, and at least one million must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. Increasing the overall supply of housing, both market-rate and deed-restricted affordable, is essential to reducing upward pressure on rents and home prices, and to creating a more stable, accessible housing market for Californians across income levels.

California's Housing Crisis: California's housing crisis is a half-century in the making.[1] After decades of underproduction, supply is far behind need, and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.[2] One in three households in the state doesn't earn enough money to meet their basic needs.[3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

To meet this housing need, the Department of Housing and Community Development (HCD) determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] IBID.
[3] IBID.
[4] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html

has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[5]

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6]

AB 2011: In response to the housing affordability crisis, the Legislature passed AB 2011 (Wicks), Chapter 647, Statutes of 2022, also known as the Affordable Housing and High Road Jobs Act of 2022. AB 2011 streamlines the approval process for certain housing developments along commercial corridors and in commercial zones, while ensuring labor standards for construction workers and facilitating the development of affordable housing units. The law allows for by-right approval of mixed-income and 100% affordable housing projects on sites currently zoned for office, retail, or parking uses, provided they meet specific affordability, labor, and environmental criteria. This means qualifying projects can bypass certain discretionary local approvals, such as conditional use permits, making it easier and faster to build housing.

While AB 2011 was signed into law in 2022, it had a delayed implementation date of July 1, 2023. Since its passage, multiple bills have expanded and amended AB 2011. AB 2243 (Wicks), Chapter 272, Statutes of 2024, made substantive amendments to AB 2011 by expanding site eligibility, refining objective standards, and amending project processing timelines. AB 893 (Fong), Chapter 500, Statutes of 2025, expanded the provisions of AB 2011 to allow developments within a half-mile radius of public universities, or in "Campus Development Zones."

Specific to this bill, AB 2011 establishes detailed, objective site development standards governing setbacks, building placement, and frontage for the property on which a mixed-income AB 2011 development project along a commercial corridor is located. These standards generally require buildings to front the street along the commercial corridor with minimal setbacks, limit above-ground parking visibility, and impose graduated setbacks and step back requirements to control building massing. Additional design requirements apply to projects on regional mall sites, including block size, open space, and frontage requirements.

Finally, AB 2011 allows local governments to adopt objective zoning, subdivision, and design standards applicable to all AB 2011 projects, provided those standards do not preclude development at the permitted residential density or require reductions in unit size. In practice, some jurisdictions have adopted objective standards that may constrain mixed-use development on AB 2011 sites, notwithstanding the statute's definition of a "housing development" project, which permits projects to include up to one-third commercial uses.

AB 2011 Impact to Date: All jurisdictions are required to report projects approved pursuant to AB 2011 in their Annual Progress Reports (APRs) submitted to the Department of Housing and

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[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025

Community Development (HCD). While APR data provides the most comprehensive statewide data available, it is well-documented that these reports contain data quality limitations, including inconsistent reporting practices and project classification errors.

Preliminary quantitative APR data through 2024, as analyzed by the UC Berkeley Terner Center for Housing Innovation and provided to this Committee, indicate that there are 23 AB 2011 projects in the pipeline, representing a total of 5,832 housing units. Of those, 3,163 (54%) are affordable homes and 2,669 (46%) are market rate homes. A total of 2,076 units (35.6%) have been submitted to a local agency but have not yet received any local approvals, 2,956 (50.7%) are entitled, or approved by a planning department, but have not pulled the building permits necessary to commence construction, and 800 (13.7%) are permitted. Submitted and entitled units reflect projects at earlier stages of the development pipeline, whereas permitted units have received building permits and are closer to commencing construction. However, units at any stage of the pipeline, including those submitted, entitled, or even permitted, may ultimately be delayed, modified, or not constructed due to financing difficulties, market conditions, project litigation, or other development-specific factors.

This Bill: This bill would amend AB 2011 by doing the following:

1) *Development Project versus Property.* Under current law, the property on which AB 2011 developments along commercial corridors are located is required to comply with certain setback, frontage, and step back requirements. This bill would change the word "property" to "development project," so that just the portions of the property that are the subject of the development application would have to comply with those standards.

2) *Mixed Use Objective Standards.* Add language providing that any locally adopted objective standards shall not prohibit or otherwise limit mixed-use development, which means a mix of residential and either office, retail, restaurant, or uses authorized by local zoning. This would enable all proposed AB 2011 housing developments, which are currently defined as projects that are at least 2/3 residential, to take advantage of the provisions of AB 2011.

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."

Arguments in Support
The Student Homes Coalition, the bill sponsor, writes in support: "AB 2011 (Wicks) and AB 893 (Fong) unlocked thousands of acres of land across California for 100% affordable, mixed-income, and student housing development. Commercially zoned lands are often well-suited for housing projects, located near jobs, transit, and amenities. At the same time, mixed-use projects create sufficient density to support local businesses and revitalize commercial districts.

AB 2118 will allow us to maximize the benefits of developing mixed-income and affordable housing on commercial land by strengthening the streamlined approval process for AB 2011 and

AB 893 projects. AB 2118 will provide affordable housers more certainty in the development process, lowers project risk, and prevents unnecessary delays."

Arguments in Opposition
The Equitable Land Use Alliance writes in opposition: "ELUA objects to the further elimination of objective development standards prescribed by this bill. Such standards include the number of access points, traffic calming measures, pedestrian walkways, bicycle parking, setbacks (distances between buildings, streets, and neighbors), minimum recreation space, privacy buffers, light intrusion limits, building massing/articulation, etc. Developers are providing the minimum number of affordable units to get a density bonus designation with unlimited waivers of these standards, creating huge box-shaped buildings with significantly reduced safety and quality of life."

FISCAL COMMENTS

According to the Assembly Committee on Appropriations: No state costs. Local costs of an unknown amount to adjust to the new requirements. 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.

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0
YES: Haney, Patterson, Ward, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM NATURAL RESOURCES: 12-0-2
YES: Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Schultz, Wicks, Zbur
ABS, ABST OR NV: Muratsuchi, Pellerin

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Hoover, Aguiar-Curry, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa
ABS, ABST OR NV: Arambula

ASSEMBLY FLOOR: 73-1-6
YES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, 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, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, 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: Boerner
ABS, ABST OR NV: Addis, Jackson, Lee, Pellerin, Petrie-Norris, Celeste Rodriguez

SENATE FLOOR: 40-0-0
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

UPDATED

VERSION: August 21, 2026

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