

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2676 (Gallagher) – As Amended April 9, 2026

Policy Committee:	Housing and Community Development	Vote:	11 - 0
	Local Government		9 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill amends the Housing Crisis Act of 2019 (HCA) to expand prohibitions on local actions that constrain housing development, including prohibiting cities and counties from using voting initiatives and referenda to block housing development unless approved by the California Department of Housing and Community Development (HCD).

Specifically, this bill:

- 1) Expands existing prohibitions on local actions by prohibiting an affected city or county from enacting or imposing a development policy, standard, or condition that violates the HCA.
- 2) Expands the prohibition on imposing a moratorium or similar restriction or limitation on housing development to apply within the sphere of influence (SOI) of an affected city.
- 3) Prohibits an affected city or county from enforcing an initiative or referendum imposing a moratorium or similar restriction or limitation on housing development unless the measure is submitted to, and approved by, HCD.
- 4) Requires HCD to approve such an initiative or referendum only if it determines the measure would not restrict or limit housing development, including mixed-use development; provides that an ordinance denied approval by HCD is deemed void.
- 5) Applies a three-year statute of limitations, pursuant to California Code of Civil Procedures Section 338(a), to any action or special proceeding brought to enforce these provisions.
- 6) States Legislative intent that the provisions in this bill operate retroactively to any pending action or proceeding.

FISCAL EFFECT:

No state costs. Local costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.

COMMENTS:

- 1) **Purpose.** According to the author, “The housing crisis in our state has been ongoing for decades. [This bill] is a step towards tightening up the Housing Crisis Act and encouraging vital housing development in our communities.”
- 2) **Background. HCA.** The HCA, enacted by SB 330 (Skinner), Chapter 654, Statutes of 2019, establishes a statewide constraint on local land use authority intended to preserve existing housing development capacity. In affected jurisdictions, the HCA requires that local governments maintain at least the level of residential development capacity that existed as of January 1, 2018, effectively creating a statewide “capacity floor.” Rather than creating new approval pathways, the statute functions as a backstop, limiting local actions that would reduce housing supply.

In California land use, a SOI is a planning boundary established by a Local Agency Formation Commission that designates the probable future service area and jurisdictional boundary of a city or special district.

Local Referendums: In California, local referenda remain a constitutionally protected tool that allows voters to overturn certain legislative land use approvals, such as rezoning actions or specific plan amendments. In the housing context, referenda are typically used to challenge project approvals that require discretionary legislative actions, particularly for larger or more controversial developments. Unlike broader growth control measures, a referendum operates on a project-specific basis by suspending and potentially invalidating an approval after it has been granted.

According to Gullon-Brouhard Commercial Real Estate:

There has been increasing reliance on referendum processes to delay or obstruct housing developments that would otherwise proceed under existing law. As recognized in NRF Project Owner LLC v. City of Oceanside, such actions can operate as functional moratoria, directly conflicting with the Housing Crisis Act’s prohibition on measures that constrain housing supply. [This bill] appropriately codifies this principle, ensuring that the statute is applied consistently and that procedural mechanisms are not used to circumvent state housing law.

This bill expands the provisions of the HCA to further limit local actions that constrain housing development by including the use of voter-approved measures.

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