
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 507 (Haney) - Adaptive reuse: streamlining: incentives

Version: July 3, 2025

Policy Vote: L. GOV. 5 - 2, HOUSING 8 - 2

Urgency: No

Mandate: Yes

Hearing Date: August 29, 2025

Consultant: Mark McKenzie

Bill Summary: AB 507 would establish a streamlined, ministerial approval process for certain adaptive reuse projects on infill sites, and make those projects a “use by right,” regardless of local zoning, as specified.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 29, 2025

Fiscal Impact:

- Staff estimates that the Department of Industrial Relations (DIR) would incur unknown, potentially significant ongoing workload costs in future fiscal years for oversight and enforcement activities related to prevailing wage and apprenticeship standards requirements on projects constructed pursuant to the provisions of this bill. There could be some penalty revenue gains to partially offset these costs. Actual costs and penalty revenues would depend upon the number of qualifying adaptive reuse 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)
- The Department of Housing and Community Development (HCD) estimates ongoing costs of approximately \$211,000 for 1.0 PY of staff workload to conduct enforcement activities against local agencies that fail to comply with the bill’s requirements, and to provide technical assistance to local agencies and project proponents using the streamlined ministerial approval process for adaptive reuse projects. (General Fund)
- Unknown local costs for cities and counties to revise planning requirements for certain adaptive reuse developments, and provide for streamlined and expedited review of those projects. 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)

Author Amendments:

- Authorize HCD to take enforcement actions against a local agency that violates the requirements of this bill, pursuant to the Housing Accountability Act, including referring violations to the Attorney General, as specified.

- Authorize a local government to use an existing historic resource determination process in lieu of the preliminary application process specified in the bill before submitting an application for an adaptive reuse project for a structure that is more than 50 years old and not listed on a register of historic resources.
- Make other clarifying changes.
- Delay the operative date of the bill by six months, to July 1, 2026.
- Add a principal coauthor.

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