



action or failure to act does not substantially comply with the local government's adopted housing element or HEL.

- 5) Requires HCD to notify a local government, and allows HCD to notify the office of the Attorney General (AG), if HCD finds that:
  - a) A housing element does not substantially comply with state law; and,
  - b) A local government has taken an action in violation of specified housing laws.
- 6) Defines "Housing reform law" as any law or regulation, or provision of any law or regulation, that establishes or facilitates rights, safeguards, streamlining benefits, time limitations, or other protections for the benefit of applicants for housing development projects, or restricts, proscribes, prohibits, or otherwise imposes any procedural or substantive limitation on a public agency for the benefit of a housing development project.
- 7) Establishes that, notwithstanding any other law, and in addition to any other available remedies, in any action brought by an applicant for a housing development project against a public agency to enforce the public agency's compliance with a housing reform law as applied to the applicant's project, where the applicant is the prevailing party, the following apply:
  - a) The applicant shall be entitled to reasonable attorney's fees and costs;
  - b) In the case of an action against a public agency that is a local agency:
    - i) If the local agency was advised in writing prior to the commencement of the action by either the AG or HCD that the local agency's decision, action, or inaction would represent a violation of law in substantially the same manner as alleged by the applicant in its lawsuit, the court must impose a fine in an amount not less than the minimum fines described in the HAA, unless the housing development project consists of four or fewer units, in which case the court must impose a fine of at least \$50,000 per violation; and
    - ii) If a court has previously found that the local agency violated the same statute on which the applicant prevailed in its lawsuit, within the same planning period, the court must impose a fine in an amount not less than the minimum fines under i), above, multiplied by a factor of five.
- 8) Requires each city and county to adopt an ordinance that specifies how it will implement state Density Bonus Law (DBL). DBL requires cities and counties to grant a density bonus, as well development incentives or concessions that

reduce the cost of the development when an applicant for a housing development of five or more units seeks and agrees to construct a project that contains specified levels of units available to lower income households. The scale of the density bonus and the number of incentives or concessions a project is eligible for is dependent on the depth of affordability of the project.

- 9) Provides that every building permit shall remain valid if the work on the site authorized by the permit commences within 12 months after its issuance.

**This bill:**

Creates a formula for determining jurisdictions that are HLJs, and allows HLJs to opt-out of, or modify their compliance obligations with specified state housing laws.

*Housing Leadership Designation*

- 1) Creates a housing leadership designation program for the purposes of designating jurisdictions as HLJs.
  - a) Defines three categories of affordability for the purposes of determining the permitting threshold a jurisdiction must meet to qualify as an HLJ
    - i) “Affordable jurisdiction” means a city, county, or a city and county where the ratio of the median purchase price of a home in the jurisdiction, as the numerator, to the area median household income (AMI), as the denominator, is less than five.
    - ii) “Unaffordable jurisdiction” means a city, county, or a city and county where the ratio of the median purchase price of a home in the jurisdiction, as the numerator, to the AMI, as the denominator, is greater than or equal to five but less than or equal to 10.
    - iii) “Extremely unaffordable jurisdiction” means a city, county, or a city and county where the ratio of the median purchase price of a home in the jurisdiction, as the numerator, to the AMI, as the denominator, is greater than 10.
  - b) Provides that HLJs are jurisdictions that issue the most net home building permits per capita in their respective affordability category as follows:
    - i) The top 10% of jurisdictions issuing net building permits per capita that are designated as affordable jurisdictions.

- ii) The top 5% of jurisdictions issuing net building permits per capita that are designated as unaffordable jurisdictions.
  - iii) The top 2.5% of jurisdictions issuing net building permits per capita that are designated as affordable jurisdictions.
- 2) Requires HCD to develop emergency regulations to implement the housing leadership designation program on or before July 1, 2027. Specifies that the emergency regulations shall remain in effect until permanent regulations are adopted by HCD.

*Rewards Available to HLJs*

- 3) Entitles HLJs to opt-out of, or modify their compliance obligations with certain housing production laws, specifically:
- a) Authorizes HLJs to opt-out of statutory requirements to ministerially approve the following types of housing development projects.
    - i) HLJs are authorized to adopt an ordinance that exempts the jurisdiction from the requirement to ministerially approve duplexes that meet the zoning requirements of SB 9 (Atkins, Chapter 162, Statutes of 2021).
    - ii) HLJs are authorized to adopt an ordinance that exempts the jurisdiction from, or modifies the jurisdictions requirements to, ministerially approve subdivisions of single-family parcels that meet minimum lot sizes, comply with specified setback requirements, and other objective standards, as specified.
  - b) HLJs are authorized to, notwithstanding DBL, establish height limitations as a design standard that cannot be altered by one of the concessions or incentives a developer is entitled to use to alter design standards for an affordable housing development.
- 4) Provides that an HLJ that receives a notice of violation of a housing reform law, as specified, from the AG or HCD, shall have an opportunity to cure the violation within 90 days of the date of the communication before any fines are imposed. Provides that if a housing reform law violation is cured within 90 days fines shall not be imposed.
- 5) Authorizes HLJs and jurisdictions that occasionally qualify as HLJs to self-certify their adopted housing element and affords these self-certified housing elements the same evidentiary presumptions that are reserved for housing

elements that HCD finds to be in substantial compliance with HEL. Specifically, HLJs are entitled to the following privileges with respect to HEL:

- a) Jurisdictions identified as an HLJ for four of the past eight years may, after receiving written findings from HCD on the first draft of its housing element, or an amendment to its housing element, adopt a housing element, that the HLJ determines has addressed the written findings from HCD. The HLJ must adopt a resolution indicating how the changes address HCDs findings at a publicly noticed hearing. Unless HCD submits a contrary finding within 30 days of the locally adopted resolution, the self-certified housing element is afforded the same force and protection as a housing element that HCD finds substantially complies with HEL.
- b) Exempts HLJs from the requirement to prepare an analysis of governmental and nongovernmental constraints to housing development as a part of their housing element.

## Background

*HEL*. The state cannot force local agencies to build housing, but the state does require local agencies to plan for housing. California's HEL, first adopted in 1969, is designed to require local agencies to create the conditions necessary to foster housing development in their community through the adoption of a local housing element. Under HEL, every city and county must adopt a housing element to help plan how to address its share of the regional need for housing. The majority of cities and counties must revise their housing elements every eight years (though some rural areas are on a five-year cycle). The housing element serves as a blueprint for the jurisdiction and include programs that sets forth a schedule of actions during the planning period, also known as the housing element cycle, to provide for the housing needs of all economic segments of the community. These actions include identifying an inventory of adequate sites on which to provide housing; developing a plan to meet the needs of extremely low-, very low-, low-, and moderate-income households; removing constraints to housing for special needs populations; preserving existing affordable housing stock; promoting and affirmatively furthering fair housing opportunities; and preserving assisted housing developments for low-income households.

While HEL established an obligation for local agencies to plan for housing in statute, there were relatively few consequences for cities that neglected to plan for housing or that failed to adopt a timely housing element. Further, a lax Regional Housing Needs Determination (RHND), and Regional Housing Needs Allocation

(RHNA) process allowed predominantly affluent cities to artificially deflate their housing planning obligations, reducing the number of housing units they had to plan for. After decades of HEL functioning as a paper tiger, the Legislature took major steps in the last decade to reform the RHNA process and to provide HCD and the AG with expanded authority to enforce compliance with HEL and other key state housing laws.

*Reforming HEL and RHNA.* In the period between the 5th and 6th housing element cycles, statutory changes to housing element methodology ensure that RHND and RHNA plans reflected actual housing needs at the state, regional, and local levels. These changes were primarily ushered in by, SB 828 (Weiner, Chapter 974, Statutes of 2018) and AB 1771 (Bloom, Chapter 989, Statutes of 2018). These changes and others ensure that each region's RHND reflected the actual housing needs of the region, ensured that RHNA plans equitably allocate housing to local governments in the region in a manner that furthers the states housing priorities, and eliminated many of the loopholes in HEL that allowed for local governments to deflate their housing allocations. These changes led to increased RHNDs and corresponding increases in the housing allocations to individual local governments in RHNA plans. For example, in the 5<sup>th</sup> housing element cycle, the Southern California Association of Governments (SCAG) received a RHND of **409,000 – 438,000**. Following the legislative changes noted above, in the 6<sup>th</sup> housing element cycle, SCAG received a RHND of **1,341,827**.

*Enforcing state housing laws.* In addition to establishing a more robust RHND and RHNA process, the Legislature adopted laws limiting the ability of local governments to deny housing and created new enforcement tools for the state. Notably the Housing Crisis Act (HCA) established vesting periods for housing development projects and required local agencies to expedite review of housing development proposals. Numerous other statutes require local agencies to ministerially approve housing development projects that meet specified criteria. Additionally, the Budget Act of 2019 provided HCD and the AG with expanded enforcement authority and established a new enforcement and fine structure for violations of HEL. More recent changes clarified that a local housing element is only considered to be substantially compliant with HEL upon a finding by HCD or a court of competent jurisdiction, eliminating the ability of local governments to claim to self-certify their housing element.

## Comments

- 1) *Author's Statement.* "California's housing crisis demands that state policy distinguish between jurisdictions that are producing housing at scale and those that are not. For too long, state housing law has focused on process and planning, rezoning mandates, document submissions, and compliance checkboxes, while paying little attention to whether homes are actually getting built. A city or county can satisfy every state requirement on paper and still produce almost no housing. SB 1216 changes the incentives facing local jurisdictions by, for the first time, giving them a meaningful incentive to deliver real outcomes. SB 1216 creates a performance-based framework that ties regulatory flexibility directly to demonstrated outcomes. In exchange for meeting these thresholds, designated jurisdictions are afforded greater flexibility in how they implement state housing laws, flexibility that is warranted precisely because they have demonstrated the ability to produce housing at scale. They also benefit from additional grace in the event of state housing law enforcement actions. These are measured, proportionate rewards for jurisdictions that have earned them."
- 2) *Identifying and rewarding HLJs.* The general thrust of this bill is to create an incentive program for local governments that issue elevated permit numbers compared to similarly sized jurisdictions. The two primary components of the bill are: 1) the structure to determine which jurisdictions qualify as HLJs, and 2) the list of statutory incentives available to these jurisdictions.

### *Identifying HLJs*

- 3) *Permit targets.* To determine jurisdictions that represent the state's housing leaders, this bill codifies a formula that HCD is required to evaluate on an annual basis. The formula is based localized cost data and data submitted through the Annual Progress Report (APR). The first part of the formula is used to determine whether a jurisdiction is an "affordable," "unaffordable," or "extremely unaffordable" jurisdiction. The category each jurisdiction is sorted into is determined by dividing the median purchase price of a home in the jurisdiction, by the area median income for the jurisdiction, as determined by the US Department of Housing and Urban Development (HUD). If the quotient of the formula is less than 5, the jurisdiction is considered "affordable," if the quotient is between 5-10 the jurisdiction is considered "unaffordable," if the quotient is more than 10, the jurisdiction is considered "extremely unaffordable." Table 1 below presents an example of how the calculation works in practice.

**Table 1 – Sample Affordability Calculation**

Jurisdiction	Data	Value	Affordability Number
Visalia	ACS median home value*	\$330,100	4.6
	AMI Tulare County**	\$78,680	<i>Affordable</i>

\*American Community Survey (ACS) data is pulled from the 2024 ACS-5-year estimates detailed tables prepared by the US Census Bureau. The bill does not currently define median home purchase price. As currently written HCD could rely on ACS data, or other data sources such as sales price data recorded by counties to implement the formula in the bill.<sup>1</sup>

\*\*AMI data presented in this formula is the average County AMI from 2020-2024 to reflect the most recent five-year evaluation period presented in the bill. The bill notes AMI should be calculated by county or Metropolitan Statistical Area (MSA) for simplicity this formula is shown using with county AMI data as calculated by HCD.

Once a jurisdiction is sorted into an affordability category, its net permitting is then compared to other jurisdictions in the same affordability category on a per capita basis. The jurisdictions that issue the most permits per capita in their income category qualify as HLJs. Specifically, the top 10% of affordable jurisdictions are considered HLJs, the top 5% of unaffordable jurisdictions are considered HLJs, and the top 2.5% of extremely unaffordable jurisdictions are considered HLJs.

The sponsors of the bill estimate that using the formula proposed in the bill 133 jurisdictions qualify as affordable, 306 are unaffordable, and a final 100 are considered extremely unaffordable. These estimates will change on an annual basis as they are based on five-year averages. Further, the data used to calculate where jurisdictions rank in comparison to other jurisdictions in their affordability category is based on permit data that is pulled from the APRs. Given the volume of permitting data local agencies report to HCD annually it is difficult for HCD to verify the veracity of these permit numbers. This bill provides HCD authority to adopt emergency regulations to determine methods for calculating and verifying production thresholds and other criteria.

- 4) *The housing leaders.* According to the sponsors, applying the formula proposed in this bill to 2020-2024 APR data (the most recent five-year period for which reporting data is available), the following jurisdictions are HLJs based on their affordability levels and permit data.

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<sup>1</sup> U.S. Census Bureau, "Table B25077: Median Value (Dollars) — Owner-Occupied Housing Units," *American Community Survey 5-Year Estimates*, 2024, California and California Counties, accessed April 5, 2026, [https://data.census.gov/table/ACS5Y2024.B25077?t=Housing+Value+and+Purchase+Price&g=040XX00US06,06\\$0500000&tp=true](https://data.census.gov/table/ACS5Y2024.B25077?t=Housing+Value+and+Purchase+Price&g=040XX00US06,06$0500000&tp=true).

- a) **Affordable HLJs:** Calimesa, Crescent City, Emeryville, Guadalupe, Hollister, Merced, Oakley, Oroville, Paradise, Rancho Cordova, Reedley, Santa Maria, Shafter, Visalia, West Sacramento, Woodlake, Madera County, and Placer County.
  - b) **Unaffordable HLJs:** Buellton, Folsom, La Quinta, Lathrop, Lincoln, Mammoth Lakes, Manteca, Menifee, Rancho Mirage, Roseville, San Luis Obispo, and Santa Clara.
  - c) **Extremely Unaffordable HLJs:** Burlingame, Indian Wells, and Menlo Park.
- 5) *RHNA planning obligations.* HEL establishes a robust process for HCD, DOF, and regional governments to determine the total housing need for each region (the RHND process) across the state for every housing element cycle. The RHND ultimately translates to a housing planning obligation for the region for that housing element cycle. The total housing planning obligation for the region is then allocated to each jurisdiction within the region according to the adopted RHNA plan for the region. HEL requires the RHNA plan to further five statutory objectives:
- a) ***Housing supply and mix.*** Specifically, increasing housing supply and the mix of housing types, tenure and affordability in all cities and counties within the region in an equitable manner that results in each jurisdiction receiving an allocation of units for low- and very low-income households, as specified.
  - b) ***Infill and climate goals.*** Specifically, promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns and the achievement of the region's greenhouse gas reduction targets, as specified.
  - c) ***Jobs housing balance.*** Specifically, promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers.
  - d) ***Allocation equity.*** Specifically, allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as specified.
  - e) ***Affirmatively furthering fair housing,*** as specified.

To ensure that RHNA plans further the statutory objectives noted above, HEL establishes rigorous procedures for COGs to prepare draft methodology, circulate a draft RHNA plan for review, hear appeals on the draft, and then finally adopt a final RHNA plan.

Ultimately the RHNA plan identifies the number of units, by income category, that jurisdictions must plan for during the eight-year housing element cycle. The planning obligations imposed on jurisdictions through the RHNA plan is based on a comprehensive range of factors that includes affordability along with other critical state housing goals. By design, RHNA plans allocate increased numbers of housing units to some jurisdictions, and lower numbers to others. This is a feature of HEL designed to ensure that housing planning across the state furthers state housing goals by ensuring, for example, that jobs-rich jurisdictions plan for more housing than other jurisdictions in the region.

RHNA is not a perfect metric, indeed many jurisdictions feel that their RHNA does not accurately reflect the amount of housing they should be required to plan for. While RHNA is not perfect, it is a robust and rigorously developed planning process that is designed to achieve the state's housing goals for each housing element cycle. This bill eschews RHNA calculations in favor of establishing permitting targets that are solely based on household income, home sales price, and a jurisdictions' permitting levels compared to its peers. Non-financial factors, such as climate and fair housing considerations that influence RHNA planning obligations are ignored in the calculation this bill uses to determine housing leaders. *The committee may wish to consider whether established planning obligations designed to further state housing goals and values are relevant when determining the jurisdictions that embody the state's housing leaders.*

- 6) *Prorating RHNA.* Every jurisdiction is required to adopt a housing element that is designed to meet its planning obligation under RHNA. A jurisdictions' total planning obligation for a housing element cycle can be prorated to determine the number of housings permits the jurisdictions should be issuing each year in order to progress toward meeting its planning obligation for the cycle. SB 35 (Weiner, Chapter 366, Statutes of 2017) included a formula for determining how the streamlining provisions in that law apply to jurisdictions based on the number of permits a jurisdiction issued on a prorated basis for each income category.

According to the sponsors, the formula in this bill awards 33 jurisdictions that are issuing the most permits per capita based on their AMI and the median home price for the jurisdiction. This formula, however, does not consider whether a jurisdiction is on track to issue sufficient permits to meet its planning obligations. Using the formula in this bill, some jurisdictions that are exceeding their prorated RHNA planning obligation may not be considered housing leaders, but several jurisdictions that fall short of meeting their prorated RHNA

planning obligation are considered HLJs. Of the 33 jurisdictions that would qualify as HLJs using the formula proposed in this bill, only 13 are on track to meet or exceed their overall RHNA planning obligations by the end of the housing element cycle. Notably, among the jurisdictions that would be deemed HLJs by this bill, several fall far short of their prorated RHNA targets. For example, the number of annual permits issued by the cities of Calimesa, Hollister, Merced, Visalia and West Sacramento averaged less than 60% of their equivalent annual planning obligation under RHNA.

**Table 2 – HLJs Annual Permitting Performance**

<i>Jurisdiction</i>	<i>Annual Average Permitting rate 2020-2024</i>	<i>Annual 6th Cycle Permitting Obligation</i>	<i>Exceeding Annual RHNA Permitting Target</i>
<i>BURLINGAME</i>	<i>401</i>	<i>407</i>	<i>NO</i>
<i>CALIMESA</i>	<i>104</i>	<i>252</i>	<i>NO</i>
<i>EMERYVILLE</i>	<i>178</i>	<i>227</i>	<i>NO</i>
<i>HOLLISTER</i>	<i>283</i>	<i>520</i>	<i>NO</i>
<i>INDIAN WELLS</i>	<i>47</i>	<i>48</i>	<i>NO</i>
<i>LATHROP</i>	<i>844</i>	<i>1050</i>	<i>NO</i>
<i>MADERA COUNTY</i>	<i>522</i>	<i>575</i>	<i>NO</i>
<i>MENLO PARK</i>	<i>287</i>	<i>368</i>	<i>NO</i>
<i>MERCED</i>	<i>714</i>	<i>1315</i>	<i>NO</i>
<i>PARADISE</i>	<i>643</i>	<i>897</i>	<i>NO</i>
<i>PLACER COUNTY</i>	<i>739</i>	<i>982</i>	<i>NO</i>
<i>RANCHO CORDOVA</i>	<i>752</i>	<i>1133</i>	<i>NO</i>
<i>RANCHO MIRAGE</i>	<i>180</i>	<i>218</i>	<i>NO</i>
<i>REEDLEY</i>	<i>144</i>	<i>183</i>	<i>NO</i>
<i>SANTA CLARA</i>	<i>993</i>	<i>1454</i>	<i>NO</i>
<i>SANTA MARIA</i>	<i>566</i>	<i>677</i>	<i>NO</i>
<i>SHAFTER</i>	<i>286</i>	<i>412</i>	<i>NO</i>
<i>VISALIA</i>	<i>772</i>	<i>1349</i>	<i>NO</i>
<i>WEST SACRAMENTO</i>	<i>481</i>	<i>1184</i>	<i>NO</i>

<i>WOODLAKE</i>	43	62	<i>NO</i>
<i>BUELLTON</i>	51	21	<i>YES</i>
<i>CRESCENT CITY</i>	49	24	<i>YES</i>
<i>FOLSOM</i>	1,084	795	<i>YES</i>
<i>GUADALUPE</i>	80	54	<i>YES</i>
<i>LA QUINTA</i>	283	191	<i>YES</i>
<i>LINCOLN</i>	651	640	<i>YES</i>
<i>MAMMOTH LAKES</i>	82	19	<i>YES</i>
<i>MANTECA</i>	1,126	1038	<i>YES</i>
<i>MENIFEE</i>	1,160	826	<i>YES</i>
<i>OAKLEY</i>	381	132	<i>YES</i>
<i>OROVILLE</i>	216	78	<i>YES</i>
<i>ROSEVILLE</i>	1,785	1508	<i>YES</i>
<i>SAN LUIS OBISPO</i>	536	419	<i>YES</i>

This bill does not identify jurisdictions that are on track to achieve housing obligations designed to further state housing goals to be housing leaders. Rather this bill determines housing leaders by creating a formula that sorts jurisdictions into peer categories (affordable, unaffordable, and extremely unaffordable). Once jurisdictions are sorted into these peer categories, their status as a housing leader is determined based on the number of housing permits they issue compared to their peers. A jurisdiction’s performance compared to other jurisdictions can be a valuable data point; however, as noted above, issuing more permits than another similarly sized jurisdiction does not necessarily demonstrate exceptional progress toward state housing goals. Further, purely grading jurisdictions on a curve compared to their peers allows the bar to becoming an HLJ to decrease as the number of permits issued by other jurisdictions decreases. ***The Committee may wish to consider amending the formula proposed in the bill to also require HLJs to demonstrate some measure of success in meeting their prorated RHNA planning obligation.***

- 7) *Permits ≠ Housing.* Jurisdictions are required to report housing data to HCD annually in the APR. This data is required to include the number of housing permits issued as well as the number of certificates of occupancy, or equivalent final approval, issued annually. It is not uncommon for a property owner to submit a permit for a housing development that they never build, or to submit

multiple building permit requests for the same parcel. For example, a parcel in the City of Paradise was issued a permit for a single-family development in 2021, again in 2022, and finally a third permit was issued in June of 2023 and a certificate of occupancy was issued for the manufactured home on that parcel in September of 2023.<sup>2</sup> For this parcel, three permits were issued, but only one was acted on, and only one unit of housing was ultimately developed. The City of Paradise did not misreport the data or mislead the state by reporting that it issued three permits for this parcel. In each successive APR from 2021-2023 the city factually reported that a permit was issued for the parcel that year, however it was not until 2023 that the property owner acted on an approved permit and received a certificate of occupancy for a completed unit. Using the formula proposed in this bill, all three building permits count toward the total number of permits issued by the City of Paradise. *The Committee may wish to consider if the number of permits issued by a jurisdiction annually more accurately reflects shifts in economic activity than actual housing production.*

To control for duplicative permits the formula in this bill could be modified to consider the certificates of occupancy (or its equivalent final approval) issued rather than, or in addition to the number of permits issued annually. Alternatively, building permits are typically only good for 12 months, the APR could be amended to require local agencies to identify expired permits in their APR so that number can be deducted from the number of permits issued when determining which jurisdictions are HLJs. APR data, even when reported accurately can present issues; inaccurately reported, or unreported APR data presents another issue entirely.

- 8) *Data integrity.* HCD receives and reviews APR data annually, but the department's capacity to verify each data set that is reported is limited. HCD notes on its APR dashboard that "data is self-reported by cities and counties and is not independently verified by HCD. HCD does not do any cleaning [of] the self-reported data prior to displaying it in this dashboard."<sup>3</sup> More than 500 jurisdictions are required to submit APRs each year. The amount of data local governments report in the APRs has grown to 26 categories, several of which include multiple subsets of data. Beginning in 2018 the APR required local governments to begin reporting the number building permits as well as the number of certificates of occupancy issued for new units of housing. It appears

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<sup>2</sup> California Department of Housing and Community Development, "APR Table A2," *Housing Element Annual Progress Report (APR) Data by Jurisdiction and Year*, California Open Data Portal, last modified March 6, 2026, <https://data.ca.gov/dataset/housing-element-annual-progress-report-apr-data-by-jurisdiction-and-year/resource/fe505d9b-8c36-42ba-ba30-08bc4f34e022/download/tablea2.csv>.

<sup>3</sup> *Ibid.*, "Annual Progress Reports - Data Dashboard and Downloads," accessed April 5, 2026, <https://www.hcd.ca.gov/housing-open-data-tools/apr-dashboard>.

that certain jurisdictions are not reporting the issuance of certificates of occupancy (or the equivalent final readiness approval) at all in their APR.

Notably, of the jurisdictions this bill is presumed to deem as HLJs, Lathrop and West Sacramento reported issuing a combined total of 6,539 housing permits from 2020-2024. During that same period, however, these jurisdictions did not report issuing a single certificate of occupancy or other form of “readiness” approval.<sup>4</sup> It is unlikely that these jurisdictions failed to clear a single new unit of housing for occupancy during this period. Presumably data was misreported, or simply not reported. Can self-reported permit data be taken at face value when some APR reporting categories are undeniably inaccurate? *The committee may wish to consider whether accurate data reporting should be a prerequisite for qualifying as a housing leader.*

### *Rewards for HLJs*

- 9) *Waivers, Exemptions and Alternatives.* This bill exempts or provides HLJs alternatives to a series of statutes that were codified or substantially expanded in the last 10 years as a part of the state’s effort to expedite housing development, and to ensure that jurisdictions comply with HEL. The statutes implicated fit into three general categories:
- a) *Production and streamlining statutes* that expedite approvals of housing developments.
  - b) *Planning statutes* that require local agencies to plan for housing and analyze constraints to housing development.
  - c) *Enforcement statutes* that enhance penalties for jurisdictions found to violate housing production laws.

Table 3 below includes a full list of statutory provisions that HLJs may waive or alter. *The committee may wish to consider limiting the provisions in the bill to statutory requirements specifically linked to housing production requirements, rather than HEL generally.*

- 10) *Enforcement, “housing reform laws.”* This bill specifically provides HLJs additional time to come into compliance with “housing reform laws” after a court finds the HLJ violated a state housing reform law that was identified by the AG or HCD in a written notice.

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<sup>4</sup> Ibid., "Annual Progress Reports - Data Dashboard and Downloads," accessed April 5, 2026, <https://www.hcd.ca.gov/housing-open-data-tools/apr-dashboard>.

Housing reform laws are often enforced through a private right of action whereby a development applicant sues a local government claiming that a decision of the local government violates a specified housing reform law. If the court finds that the local government violated the law and wrongfully denied a project, it can compel the local government to approve the project and impose fines on the local government. AB 712 (Wicks, Chapter 496, Statutes of 2025) enhanced penalties for violations of “housing reform laws.” Specifically, AB 712 provides that if the AG, or HCD notified a local government in writing that a decision, action, or inaction of the local government constitutes a violation of a housing reform law, and the local government is found by a court to have violated the law identified by the state, the court is required to impose enhanced penalties and the applicant that brought the case is entitled to recover attorney’s fees from the local government.

Housing reform law is defined broadly to encompass any statute that streamlines housing developments. Specifically, housing reform law covers *“any law or regulation, or provision of any law or regulation, that establishes or facilitates rights, safeguards, streamlining benefits, time limitations, or other protections for the benefit of applicants for housing development projects, or restricts, proscribes, prohibits, or otherwise imposes any procedural or substantive limitation on a public agency for the benefit of a housing development project.”* Enhanced penalties are only triggered if a project applicant sues a local government over a violation previously identified in a state notice provided to the local government. HCD frequently notifies local governments through technical assistance letters of potential violations of statutes that constitute housing reform laws. For example, the provisions of Accessory Dwelling Unit (ADU) law meet every facet of the statutory definition of state housing reform law. Local governments that adopt ADU ordinances are required to submit a copy of the ordinance to HCD for review, and HCD is required to notify local governments if their ordinance does not comply with ADU law. The following local governments that qualify as HLJs under this bill, as currently written, received letters from HCD in the last two years notifying them that their ADU ordinance has not been updated to reflect the requirements of existing law, or that aspects of their ADU ordinance violates specific provisions of ADU law:

- a) Roseville: January 6, 2026.
- b) West Sacramento: December 5, 2025.
- c) San Luis Obispo: September 11, 2024.
- d) Burlingame: April 11, 2024.
- e) Emeryville: January 22, 2024.

It is unclear if any of the jurisdictions identified above remedied the issues identified by HCD in the technical assistance letter they received regarding ADU Law. Under existing law, if an applicant seeking to develop an ADU initiates a lawsuit against one of the jurisdictions identified above in order to compel compliance with an aspect of ADU law identified in the state's notice to the jurisdiction, these jurisdictions could be liable for paying the applicants attorney's fees and enhanced penalties upon a court determination that the jurisdictions action violated ADU law. Under this bill, if these jurisdictions are found by a court to have violated the law, they would be exempt from paying attorney's fees or enhanced penalties if they remedy the violation within 90 days of the court order.

AB 712 already provides a 60-day *pre litigation* offramp for jurisdictions so that they have time to comply with state law and remedy any statutory violations. It also serves to push jurisdictions to correct the violation and comply with state law rather than risk costly litigation and enhanced penalties. This existing off ramp in SB 712 was specifically crafted by this Committee as a pre litigation notice to ensure local governments have an opportunity to, and are encouraged to, come into compliance before a court weighs in. This bill seeks to provide a HLJ that is found by a court to have violated a housing reform law, an additional 90 day window to cure that violation before any fines are imposed, nullifying any pre-litigation incentive for HLJs to remedy a potential violation.

*The Committee may wish to consider the following with respect to the enforcement provisions in this bill.*

- a) *Housing reform laws.* Housing reform law is broadly defined, and it encompasses any law containing streamlining provisions or other protections or benefits for housing development applicants. Below is a partial list housing reform laws that are implicated by this bill in its current form.

#### *Housing Streamlining Bills*

- i) ADU Law (GOV Sections 66310-66342). Requires a permit application for an ADU or a junior accessory dwelling unit (JADU) to be considered and approved ministerially without discretionary review or a hearing.
- ii) SB 2 (Cedillo, Chapter 633, Statues of 2007)/AB 340 (Laird, Chapter 514, Statutes of 2025). Requires cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit and requires cities and counties to treat

- transitional and supportive housing projects as a residential use of property.
- iii) AB 1397 (Low, Chapter 375, Statutes of 2017). Requires a locality to allow housing by right, in which at least 20% of the units are affordable to lower-income households, on any site that is non-vacant and identified in a prior housing element or any site that is vacant and has been included in two or more consecutive housing elements.
  - iv) SB 35 (Wiener, Chapter 366, Statutes of 2017) / SB 423 (Wiener, Chapter 778, Statutes of 2023). Establishes a ministerial approval process for certain multifamily affordable housing projects that are proposed in local jurisdictions that have not met regional housing needs if the projects meet specific affordability and labor criteria.
  - v) AB 2162 (Chiu, Chapter 753, Statutes 2018). Provides that supportive housing shall be a use by-right in all zones where multifamily and mixed uses are allowed. SB 744 (Caballero, Chapter 346, Statutes of 2019) made changes to AB 2162 and created an exemption from the California Environmental Quality Act (CEQA) for developments that qualify for No Place Like Home funding.
  - vi) AB 101 (Committee on Budget, Chapter 159, Statutes of 2019). Requires low barrier navigation center developments to be a use by right, as defined, in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if the development meets certain requirements.
  - vii) AB 1783 (Rivas, Chapter 866, Statutes of 2019)/AB 457 (Soria, Chapter 490, Statutes of 2025). Creates a new streamlined, ministerial approval process for agricultural employee housing that is not dormitory style housing, on land zoned for agricultural uses. AB 457 streamlines larger projects in specified counties.
  - viii) SB 9 (Atkins, Chapter 162, Statutes of 2021)/SB 450 (Atkins, Chapter 286, Statutes of 2024). Requires ministerial approval of a housing development of no more than two units in a single-family zone (duplex) or the subdivision of a parcel zoned for residential use into two parcels (lot split), or both.
  - ix) SB 478 (Wiener, Chapter 363, Statutes of 2021). Prohibits a local government from imposing certain floor area ratio (FAR) standards on housing projects of three to ten units.
  - x) AB 2011 (Wicks, Chapter 647, Statutes of 2022)/AB 2243 (Wicks, Chapter 272, Statutes of 2024)/AB 893 (Fong, Chapter 500, Statutes of 2025). Requires specified mixed-income and affordable housing development projects to be a use by right on specified sites zoned for retail, office, or parking.

- xi) SB 6 (Caballero, Chapter 659, Statutes of 2022). Enacts, until January 1, 2033, the Middle-Class Housing Act of 2022, which establishes housing as an allowable use on any parcel zoned for office or retail uses. Allows parcels subject to the bill to be eligible for SB 35's (Wiener, 2017) streamlined ministerial approval process if it meets specified requirements.
- xii) SB 4 (Wiener, Chapter 771, Statutes of 2023). Establishes the Affordable Housing on Faith and Higher Education Lands Act of 2023, which, until January 1, 2036, enables 100% affordable housing to be a use by-right on land owned by religious institutions and independent institutions of higher education.
- xiii) AB 531 (Irwin, Chapter 789, Statutes of 2023). Creates a by-right approval process for projects funded by Proposition 1 (2023) serving homeless populations with behavioral health challenges (Homekey projects) OR homeless veteran populations with behavioral health challenges (VHHP projects). Projects must be infill and on a site zoned for multifamily residential use, office, retail, or parking and not adjoined to industrial uses.
- xiv) SB 625 (Wahab, Chapter 548, Statutes of 2025). Creates a streamlined ministerial approval process for rebuilding residential structures damaged in a disaster; establishes timelines for homeowner associations (HOAs) to review development proposals; limits covenants and other instruments that would prohibit a property owner from rebuilding a residential structure destroyed in a declared disaster; and, prohibits local agencies from preventing property owners from living in a mobilehome on their property for up to three years following a disaster.
- xv) SB 684 (Caballero, Chapter 783, Statutes of 2023) / SB 1123 (Caballero, Chapter 294, Statutes of 2024). Requires local agencies to ministerially approve subdivision maps and projects for specified projects in urban areas in multifamily zones, and specified vacant single-family lots that include 10 or fewer housing units.
- xvi) AB 507 (Haney, Chapter 493, Statutes of 2025). Establishes the Office to Housing Conversion Act, creating a streamlined, ministerial approvals process for adaptive reuse projects, and provides certain financial incentives for the adaptive reuse of existing buildings.
- xvii) AB 1061 (Quirk-Silva, Chapter 505, Statutes of 2025). Modifies historic resource designations that limit the single-family parcels eligible for ministerial approval of an urban-lot split or a duplex development under SB 9 (Atkins, Chapter 162, Statutes of 2021).
- xviii) SB 79 (Wiener, Chapter 512, Statutes of 2025). Requires a housing development project within a specified radius of existing or currently proposed major transit-oriented development (TOD) stop, as defined, be

an allowable use on a site zoned for residential, mixed, or commercial development, if the housing development meets certain requirements. This bill also allows a transit agency to adopt TOD zoning standards for district-owned land located in a TOD zone.

*Density Bonuses.*

- i) AB 744 (Daly, Chapter 699, Statutes of 2015). Requires a local government, upon the request of a developer that receives a density bonus, to reduce the minimum parking requirements for a housing development, if it meets specified criteria.
- ii) AB 1934 (Santiago, Chapter 747, Statutes of 2016). Creates a development bonus for commercial developers that partner with an affordable housing developer to construct a joint project or two separate projects encompassing affordable housing.
- iii) SB 1227 (Skinner, Chapter 937, Statutes of 2018). Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least 20% of the total units for lower-income students in a student housing development, as specified.
- iv) AB 1763 (Chiu, Chapter 666, Statutes of 2019). Revises DBL Law to require a city or county to award a developer additional density, concessions and incentives, and height increases, if 100% of the units in the proposed development are restricted to lower-income households.
- v) AB 2345 (Gonzalez, Chapter 197, Statutes of 2020). Incentivizes more very low- and low-income rental units, as well as more moderate-income for sale units in common interest developments (CIDs), by extending the density formula to a maximum density of 50%, reducing the percentage of lower-income affordability required for certain concessions and incentives, and reducing some parking ratios.
- vi) SB 290 (Skinner, Chapter 340, Statutes of 2021). Makes various changes to DBL, including providing additional benefits to housing developments that include low-income rental and for-sale housing units, and moderate-income for-sale housing units.
- vii) AB 682 (Bloom, Chapter 634, Statutes of 2022). Grants a density bonus for shared housing developments, as specified.
- viii) AB 2334 (Wicks, Chapter 653, Statutes of 2022). Allows a housing development project to receive added height and unlimited density if the project is located in an urbanized very low vehicle travel area in specified counties, and at least 80% of the units are restricted to lower-income households with no more than 20% for moderate income households.

- ix) AB 1287 (Alvarez, Chapter 755, Statutes of 2023). Requires a local government to grant additional density and concessions and incentives if an applicant agrees to include additional low- or moderate-income units on top of the maximum amount of units for lower, very low-, or moderate-income units.

#### *Entitlement Reforms.*

- i) SB 330 (Skinner, Chapter 654, Statutes of 2019) / AB 130 (Budget, Chapter 22, Statutes of 2025). Establishes the Housing Crisis Act of 2019, which: 1) prohibits specified cities and counties enacting specific development policies, standards, or conditions that limit housing, such as downzoning and housing moratoria, as specified; and 2) makes changes to local approval processes to provide transparency to and speed up the process of housing development approvals. AB 130 eliminated several sunset dates contained in the Housing Crisis Act.
- ii) AB 2097 (Friedman, Chapter 459, Statutes of 2022) / AB 2712 (Friedman, Chapter 415, Statutes of 2024). Prohibits public agencies from imposing or enforcing parking minimums on developments within one-half mile of a major transit stop, as specified. AB 2097 was amended by AB 2712 which prohibits the City of Los Angeles from granting preferential parking permits to residents of transit-oriented developments that are exempt from minimum parking requirements.
- iii) AB 2234 (Robert Rivas, Chapter 651, Statutes of 2022). Establishes time limits for approval and requires online permitting of post-entitlement phase permits.
- iv) AB 130 (Committee on Budget and Fiscal Review, Chapter 22, Statutes of 2025). (1) Subjects the California Coastal Commission's review of housing project permit applications to the shorter timelines that apply to other lead agencies under the Permit Streamlining Act (PSA); (2) makes several changes to the PSA, including providing that the PSA applies to both discretionary and ministerial permits; and, (3) prohibits appeals of specified housing development projects in the coastal zone to the California Coastal Commission.

#### *Public Land for Affordable Housing*

- i) AB 1486 (Ting, Chapter 664, Statutes of 2019). Imposes additional requirements on the process that public agencies must use when disposing of surplus property. Expands the scope of local agencies subject to the Surplus Land Act, revises the definitions of "surplus land" and "exempt surplus land," revises the noticing requirements relative to

local agencies, housing sponsors and HCD, and adds penalties for local agencies that sell land in violation of the Act.

### *Cost of Development*

- ii) AB 571 (Mayes, Chapter 346, Statutes of 2021). Prohibits local governments from imposing affordable housing impact fees, including inclusionary zoning fees and in-lieu fees, on a housing development's affordable units in a density bonus project.
- iii) AB 2430 (Alvarez, Chapter 273, Statutes of 2024). Prohibits a city or county from charging a monitoring fee on a 100% affordable housing development under the state's Density Bonus Law if the development is subject to a regulatory monitoring agreement with the state.
- iv) AB 2553 (Friedman, Chapter 275, Statutes of 2024). Expands the scope of transit-oriented developments eligible for lower traffic impact mitigation fees.
- v) AB 3177 (Wendy Carrillo, Chapter 436, Statutes of 2024). Prohibits a local agency from imposing a land dedication requirement on a housing development to widen a roadway for the purpose of mitigating vehicular traffic impacts or achieving an adopted traffic level of service related to vehicular traffic.
- vi) SB 937 (Wiener, Chapter 290, Statutes of 2024). Prohibits a local government from requiring payment of fees or charges for public improvements or facilities on a designated residential development project before the development receives a certificate of occupancy, except under certain conditions.

***The committee may wish to consider if the scope of enforcement relief afforded to HLJs by this bill should be narrowed to only cover specific housing reform laws.***

- b) *Third chances.* As the statute is currently written, a local government has two opportunities to cure a state identified violation of a housing reform law prior to litigation and AB 712's enhanced penalties. First upon receipt of a technical assistance or a notice of violation from the state, local governments typically have 30 to 90 days (depending on the severity of the violation) to address any issue flagged as a violation by the state. Second, as noted above, AB 712 requires that the applicant bringing the suit must provide the defendant local government with a 60-day notice before commencing legal action. This bill creates a third, post-litigation, chance for HLJs to remedy a violation before being subject to AB 712 penalty enhancements. Specifically, this bill provides HLJs an additional 90-days to cure a violation

before fines may be imposed, and provides that if the violation is cured then no fines may be imposed. This proposed opportunity to cure a violation of statute occurs after all the following occur:

- i) The state notifies the HLJ in writing that its action or inaction represents a violation of housing reform law (typically 30-90 days).
- ii) A project applicant notifies the HLJ of its intent to initiate legal action to compel the local government to comply with the housing reform law identified in the state’s written notice (60 days).
- iii) A court order finds the HLJ violated the same statute identified by the project applicant and the state.

*The committee may wish to consider clarifying that the enforcement provisions in this bill are limited to applicant-initiated enforcement of housing reform laws. Additionally, to ensure that HLJs are not able to ignore housing reform laws until after an adverse court decision, replace the 90-day post-court decision opportunity to cure a violation with an extended pre-litigation notice.*

**Table 3 – Statutory Waivers for HLJs**

Code Section and Relevant Legislation	Summary of Existing Law	Proposed HLJ Authority
<b>Production and Streamlining Statutes</b>		
<p><b>GC 65852.21 &amp; GC 66411.7</b></p> <p>Streamlined approval for up to four units on single family parcels.</p> <p><b>SB 9</b> (Atkins, Chapter 162, Statutes of 2021).</p> <p><b>SB 450</b> (Atkins, Chapter 286, Statutes of 2023)</p> <p><b>AB 1061</b> (Quirk-Silva, Chapter 505, Statutes of 2025)</p>	<p><b>GC 65852.21</b></p> <p>Requires ministerial approval of duplexes on lots zoned for single family development.</p> <p><b>GC 66411.7</b></p> <p>Requires ministerial approval of a parcel map that will divide an existing lot that is zoned for single family development into two lots, and requires local agencies to allow a duplex on each of the newly created lots.</p>	<p><b>GC 65852.21</b></p> <p>HLJs are authorized to adopt an ordinance exempting themselves from the requirement to ministerially approve duplexes.</p> <p><b>GC 66411.7</b></p> <p>HLJs are authorized to adopt an ordinance that exempts the jurisdiction from, or modifies the jurisdictions requirements to, ministerially approve subdivisions of single-family parcels that meet minimum lot sizes, comply with specified setback requirements, and other</p>

		objective standards, as specified.
<p><b>GC 65915</b> Density Bonus Law (DBL) (most relevant bills noted)</p> <p><b>AB 1763</b> (Chiu, Chapter 666, Statutes of 2019)</p> <p><b>AB 2334</b> (Wicks/Weiner, Chapter 653, Statutes of 2022)</p> <p><b>SB 713</b> (Padilla, Chapter 784, Statutes of 2023)</p> <p><b>AB 1287</b> (Alvarez, Chapter, Statutes of 2023)</p> <p><b>AB 2345</b> (L.Gonzalez, Chapter, Statutes of 2020)</p>	<p>DBL requires jurisdictions to award additional density and, concessions and incentives to projects that include set levels of affordable housing. Jurisdictions must also waive development standards that physically preclude construction of a DBL eligible project.</p> <p><b>AB 1763</b> required jurisdictions to allow a height increase of up to three additional stories for 100% affordable projects located one-half mile from transit.</p> <p><b>AB 2234</b> Expanded the height allowance to apply to “low-vehicle travel areas).</p> <p><b>SB 713</b> – codified HCD guidance that states a developer may use concessions or incentives to develop over a local initiative imposing a height limit.</p> <p><b>AB 1287</b> – increased the concessions and incentives for projects near transit from 4 to 5.</p> <p><b>AB 2345</b> – reformed DBL by adding to the density bonus “ladder” and changing the concessions and incentives structure (among other provisions).</p>	<p>HLJs may impose height limitations that cannot be exceeded through the use of a concession or incentive pursuant to DBL.</p>
<b>Planning Statutes</b>		
<p><b>GC 65585 (f)</b> HEL requirements relative to guidelines and HCD authority.</p>	<p>Requires jurisdictions to take one of the following actions if HCD finds that the draft housing element does not comply with HEL: 1) Change the draft to</p>	<p>Jurisdictions identified as a HLJ for four of the past eight years may, after receiving written findings from HCD on the first draft of its housing element, or</p>

<p><b>AB 2023</b> (Quirk-Silva/Alvarez, Chapter 269, Statutes of 2024)  <b>AB 434</b> (Grayson, Chapter 740, Statutes of 2023)  <b>AB 2667</b> (Santiago, Chapter 277, Statutes of 2024))  <b>SB 478</b> (Weiner, Chapter 363, Statutes of 2021)</p>	<p>comply, or 2). Adopt the draft without changes and adopt findings asserting why the draft complies.</p> <p><b>AB 2023</b> required any change to the draft to be completed pursuant to the same timelines that apply to the first draft.  <b>AB 2667</b> established timelines and disclosure requirements for revisions to housing elements that change the sites inventory.  <b>AB 434</b> expanded the list of housing laws that HCD is authorized to notify the AG and the jurisdiction that their failure to implement the code sections is a violation.  <b>SB 478</b> expanded the list of housing laws that HCD is authorized to notify the AG and the jurisdiction that their failure to implement the code sections is a violation</p>	<p>an amendment to its housing element adopt a housing element, that the HLJ determines has addressed the written findings from HCD’s. The HLJ must adopt a resolution at a publicly notice hearing that includes specified written findings indicating how the changes address HCDs findings. Unless HCD submits a contrary finding within 30 days of the locally adopted resolution, the self-certified housing element is afforded the same force and protection as a housing element that HCD finds substantially complies with HEL.</p> <p>Additionally, allows a HLJ to ignore the timelines and disclosure requirements regarding housing element amendments when adopting a self-certified housing element.</p>
<p><b>GC 65583 (a)(5)-(6)</b> Constraints analyses in HEL   <b>AB 610</b> (Alvarez, Chapter 494, Statutes of 2025)</p>	<p><b>65583 (a)(5)-(6)</b> Requires local governments to prepare an analysis of governmental and nongovernmental constraints to housing development as a part of their housing element.</p> <p><b>AB 610</b> expanded the analysis of governmental constraints to require local governments to prepare a disclosure statement identifying each new constraint adopted after the last Housing Element was adopted, and to identify any new constraint that</p>	<p>Exempts HLJs from the requirement to prepare a constraints analysis as a part of their housing element.</p>

	<p>is expected to be adopted in the first three years of the next housing element.</p>	
<b>Enforcement Statutes</b>		
<p><b>GC 65914.2</b> Enhanced fine and penalties following a notice of violation from the state.</p> <p><b>AB 712</b> (Wicks, Chapter 496, Statutes of 2025)</p> <p>Partial list of housing reform laws is noted above.</p>	<p>Entitles housing development applicants that prevail in an action over a local agency to reasonable attorney’s fees, and subjects local governments to increased fines for violating housing reform laws if the AG, or HCD indicated that the local agency was violating the law before the lawsuit securing the decision was filed.</p>	<p>Provides that a HLJ that receives a notice of violation of a housing reform law, as specified, from the AG or HCD, shall have an opportunity to cure the violation within 90 days of the date of the communication before any fines are imposed. Provides that if the violation is cured than fines shall not be imposed.</p>

11) *Support.* This bill is sponsored by California YIMBY, they write that “SB 1216 creates a performance-based framework that ties regulatory flexibility directly to demonstrated outcomes. To earn the Housing Leadership Designation Program (HDLP) designation, a jurisdiction must file complete annual progress reports for five consecutive years and meet production thresholds calibrated to local affordability conditions. Jurisdictions that clear these bars have proven they can be trusted with greater local discretion.”

12) *Committee Amendments.* **To address the items noted above, the Committee may wish to consider the following amendments:**

- a) **To address items raised in comment 5) and 6), require jurisdictions that meet permitting targets in the formula created by this bill to additionally exceed the first tier of prorated RHNA targets in SB 35. This is the tier that exempts local governments from the requirement to providing streamlining benefits to SB 35 projects that are less than 50% affordable. According to HCD, 216 jurisdictions meet this threshold.**
- b) **To address items raised in comment 7) and 8) explicitly authorize HCD, through the rulemaking authority proposed in the bill to verify and audit the APR data of a selection of HLJ jurisdictions to ensure the data qualifying the jurisdiction for HLJ status is complete and accurate.**

- c) **To address the items raised in comment 9) :**
- i) **Limit the incentives HLJs are eligible for to the following:**
    - (1) **The ability to waive of production statutes identified in the bill (SB 9, Atkins Chapter 162, Statutes of 2021).**
    - (2) **Ability to insulate local height standards from being altered by an incentive or concession due to an affordable development under DBL. Amend this requirement to only apply to HLJs that also issue sufficient permits for all income levels to warrant an exemption from SB 35 streamlining. According to HCD, 43 jurisdictions meet this threshold.**
    - (3) **The ability to adopt a Housing Element without preparing a constraints analysis.**
  - ii) **Replace the ability of HLJs to self-certify their housing element in its entirety with an additional 60-day grace period from being subject to the builder’s remedy for a housing element that is not certified as compliant with HEL by HCD.**
- d) **To address issues regarding enforcement raised in comment 10):**
- i) **Clarify that HLJs are only exempt from applicant-initiated enforcement.**
  - ii) **Revise the 90-grace period for HLJs to clarify that is an alternative/extension to the 60-day pre-litigation window rather than a third, post-court decision opportunity to cure.**
  - iii) **Remove ADU law from the list of state housing reform laws subject to delayed enforcement.**
  - iv) **Identify the specific housing reform laws that HLJs are entitled to delayed enforcement.**

### **Related/Prior Legislation**

**AB 1886 (Alvarez, Chapter 267, Statutes of 2024)** — clarified that a housing element is substantially compliant with HEL, when both a local agency adopts the housing element and HCD or a court finds it in compliance.

**SB 1037 (Wiener, Chapter 293, Statutes of 2024)** — created new legal remedies that can be used by the AG to enforce the adoption of housing element revisions or to enforce any state law that requires a local government to ministerially approve any decision or application for a housing development project.

**AB 1633 (Ting, Chapter 768, Statutes of 2023)** — expanded the definition of a “disapproval” under the HAA, until 2031.

**AB 215 (Chiu, Chapter 342, Statutes of 2021)** — provided HCD with additional enforcement authority over local agency violations of specified housing laws.

**AB 72 (Santiago, Chapter 370, Statutes of 2017)** — provided HCD the authority to find a local government’s housing element out of substantial compliance if it determines that the local government acts or fails to act in compliance with its housing element, and allows HCD to refer violations of law to the AG.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 15, 2026.)

**SUPPORT:**

California YIMBY (Sponsor)  
Aids Healthcare Foundation  
City of Pico Rivera  
Greenbelt Alliance  
Neighborhood Partnership Housing Services, INC.  
South Pasadena Residents for Responsible Growth  
Student Homes Coalition

**OPPOSITION:**

City of Rancho Cucamonga

**-- END --**