
UNFINISHED BUSINESS

Bill No: SB 262
Author: Wahab (D), et al.
Amended: 9/3/25
Vote: 21

SENATE HOUSING COMMITTEE: 7-2, 3/18/25

AYES: Wahab, Arreguín, Cabaldon, Cortese, Durazo, Gonzalez, Padilla

NOES: Seyarto, Ochoa Bogh

NO VOTE RECORDED: Caballero, Grayson

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 24-13, 6/3/25

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson

NOES: Alvarado-Gil, Cabaldon, Caballero, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares, Wiener

NO VOTE RECORDED: Blakespear, Reyes, Stern

ASSEMBLY FLOOR: 57-15, 9/8/25 - See last page for vote

SUBJECT: Housing element: prohousing designations: prohousing local policies

SOURCE: Author

DIGEST: This bill adds additional local policies related to tenant protection, housing stability, and homelessness as pro-housing policies that the Department of Housing and Community Development (HCD) can consider in developing a pro-housing designation.

Assembly Amendments of 9/3/25 clarify that HCD may consider homeless housing policies for pro-housing designation provided those policies extend beyond existing law.

ANALYSIS:

Existing law:

- 1) Requires HCD to establish a pro-housing designation for local jurisdictions.
- 2) Defines “pro-housing local policies” to mean policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:
 - a) Establishment of local financial incentives for housing, including, but not limited to, establishing a local housing trust fund.
 - b) Adoption of zoning allowing for use by right for residential and mixed-use development.
 - c) Adoption of zoning that allows for more residential development than is required to accommodate the minimum existing regional housing need allocation for the current housing element cycle.
 - d) Reduction of permit processing time.
 - e) Creation of objective development standards.
 - f) Reduction of development impact fees.
 - g) Preservation of affordable units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available housing units.
 - h) Facilitation of the conversion or redevelopment of commercial properties into housing.
- 3) Requires HCD to adopt emergency regulations to implement this section.
- 4) Requires that jurisdictions that have been designated pro-housing by HCD, and that have an adopted housing element that has been found by HCD to be in

substantial compliance, must be awarded additional points or preference in the scoring for the following program applications:

- a) The additional points must be awarded for the following programs:
 - i. The Affordable Housing and Sustainable Communities Program;
 - ii. The Transformative Climate Communities Program; and
 - iii. Specified portions of the Infill Incentive Grant Program of 2007 and the Infill Infrastructure Grant program of 2019.
- b) Allows additional points and preferences to be awarded to other state programs when already allowable under state law.

This bill:

- 1) Expands the definition of “prohousing local policies” to also include policies that keep people housed.
- 2) Adds to the list of policies that HCD may consider to be a pro-housing policy, the following:
 - a) A safe parking program that provides safe parking locations and options for individuals and families living in their vehicles and that does all of the following:
 - i. Provides a bathroom facility and onsite security.
 - ii. Establishes an application or enrollment process for the program that may include a background check requirement.
 - iii. Establishes rules and regulations for the program.
 - b) A safe camping program that provides safe camping locations and options for individuals and families experiencing unsheltered homelessness; and
 - c) Creation or operation of a low-barrier navigation center or other non-congregate shelter that meets minimum health and safety standards.

- 3) Provides that provide that the policies added by this bill shall not exceed the minimum value of points awarded for a prohousing local policy that relates to the planning, approval, or construction of housing.

Background

Pro-housing Local Policies. In 2019, the Legislature enacted legislation (AB 101, Committee on Budget, Chapter 159, Statutes of 2019), which required HCD to designate cities and counties as pro-housing if their local policies facilitate the planning, approval, or construction of housing. “Pro-housing” jurisdictions will receive a competitive advantage in applying for certain state programs, including but not limited to the Affordable Housing and Sustainable Communities Program, Transformative Climate Communities Program, and the Infill Incentive Grant Program.

Additionally, local governments with Prohousing Designation are eligible to apply for funds from the Prohousing Incentive Program, which is designed to reward local governments with Prohousing Designation with additional planning or implementation funding to accelerate affordable housing production and preservation. Eligible uses include: construction and rehabilitation of affordable housing, homeownership, matching funds for housing trust funds, services for permanent supportive housing units, and housing for people experience homelessness.

Although AB 101 provided examples of pro-housing local policies, HCD has discretion over the final policies. HCD initially adopted emergency regulations on June 25, 2021, and later adopted permanent regulations, which were approved on January 2, 2024. HCD began accepting applications under these regulations on March 2, 2024.

Comments

Incentivizing housing stability programs. The lack of affordable housing and housing instability for the lowest-income earners in California are the primary drivers for the housing crisis and the significant increases in homelessness in recent years. The nearly 17 million Californians who live in renter households are especially likely to face unaffordable housing costs and therefore are at increased risk of housing instability and homelessness. The original prohousing policies focused on actions local agencies could take to increase the supply of housing, and omitted policies and investments that seek to keep vulnerable populations in their

homes, as well as programs that allow for temporary sleeping locations for those who are experiencing homelessness.

In 2021, the Legislature passed and the Governor signed AB 1029 (Mullin, Chapter 353, Statutes of 2021), which added the preservation of affordable housing units to “avoid the displacement of affected tenants.” As such, the prohousing policies are no longer limited to limited to processes and actions designed to increase housing supply; they already also contemplate policies that keep people in their homes, which in turn prevent vulnerable populations from experiencing homelessness.

This bill updates the definition of prohousing to also include policies that keep people housed, and adds several new options for HCD to consider when designating a local government as “prohousing.” These new policies, however, shall not exceed the minimum value of points awarded for a prohousing local policy that relates to the planning, approval, or construction of housing.

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

According to the Assembly Committee on Appropriations:

- HCD estimates minor and absorbable costs to adopt updated regulations.

SUPPORT: (Verified 9/8/25)

Aids Healthcare Foundation
Alameda County Office of Education
California State Association of Counties
City of Foster City
City of San Jose
East Bay Housing Organizations
Housing California
Nasw California

OPPOSITION: (Verified 9/8/25)

None received

ASSEMBLY FLOOR: 57-15, 9/8/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega,

Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Sanchez, Ta, Tangipa

NO VOTE RECORDED: Arambula, Bains, Chen, Flora, Gabriel, Nguyen, Quirk-Silva, Soria

Prepared by: Alison Hughes / HOUSING / (916) 651-4124
9/8/25 19:36:05

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