

**THIRD READING**

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Bill No: SB 457  
Author: Becker (D)  
Amended: 1/8/26  
Vote: 21

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SENATE HOUSING COMMITTEE: 1-2, 4/29/25

AYES: Seyarto

NOES: Wahab, Ochoa Bogh

NO VOTE RECORDED: Arreguín, Cabaldon, Caballero, Cortese, Durazo,  
Gonzalez, Grayson, Padilla

SENATE HOUSING COMMITTEE: 10-0, 1/6/26

AYES: Wahab, Seyarto, Arreguín, Cabaldon, Caballero, Cortese, Durazo,  
Grayson, Ochoa Bogh, Padilla

NO VOTE RECORDED: Reyes

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

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**SUBJECT:** Housing element compliance: committed assistance: in-kind  
services

**SOURCE:** Author

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**DIGEST:** This bill specifies types of “in-kind services” that qualify as  
“committed assistance” for the purposes of determining the number of housing  
units a jurisdiction may count toward their adequate sites obligation under Housing  
Element Law.

**ANALYSIS:**

Existing law:

- 1) Provides that the fair share of housing for each city and county is determined  
through the Regional Housing Needs Determination (RHND) and the

subsequent Regional Housing Needs Allocation (RHNA) plan for the region. The law establishes the RHND/RHNA process as follows:

- (a) Department of Finance (DOF) and the Department of Housing and Community Development (HCD) develop regional housing needs estimates;
  - (b) COGs allocate housing within each region based on these determinations, and where a COG does not exist, HCD conducts the allocations; and
  - (c) cities and counties incorporate these allocations into their housing elements.
- 2) Requires each city and county to prepare and adopt a General Plan, including a housing element, to guide the future growth of a community. The housing element must include an inventory of land suitable and available for residential development. Where a jurisdiction's inventory of land suitable for development accommodate the jurisdiction's share of RHNA, the jurisdiction must identify actions that will be taken to make adequate sites available during the planning period to accommodate the jurisdictions share of RHNA that is not accommodated on sites in the inventory.
- 3) Authorized HCD to allow jurisdictions to meet up to 25 percent of their requirement to identify adequate sites to accommodate their share of RHNA in their housing element by implementing a "committed assistance program" that rehabilitates or preserves affordable units or converts existing property into affordable housing.
- 4) Specifies that "committed assistance" means that the city or county enters into a legally enforceable agreement during the period from the beginning of the projection period until the end of the third year of the planning period that obligates sufficient available funds or other in-kind services to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement.

This bill defines "in-kind services" as a nonmonetary form of committed assistance provided by a city or county that materially reduces the development costs, or materially facilitates the acquisition, rehabilitation or preservation of units.

## Background

*RHND & RHNA process.* Before each housing element revision, each community is assigned its fair share of the region's housing need for defined household income levels. Currently local agencies must plan for four separate income categories (very low-, low-, moderate-, and above-moderate income households), beginning in the seventh housing element cycle household income levels will include planning requirements for acutely low- and extremely low- income households. This planning occurs through a two-step process. First, HCD determines the aggregate housing need for the region during the planning period the housing element will cover (RHND); then the COG allocates the regional housing need to each city and county within the region (RHNA).

*Sites Identification.* In adopting a housing element, jurisdictions are required to prepare an inventory of land suitable and available for residential development. Where the inventory of sites does not include adequate sites to accommodate the housing needs for all household income levels, the jurisdictions housing element must include a program to make sites available during the planning period with appropriate zoning and development standards to accommodate the jurisdictions share of regional housing need that could not be accommodated on the land identified in the inventory. This includes a program to rezone sites within specific timeframes during the housing element period (typically three years for jurisdictions with a timely and compliant housing element).

*Adequate Sites Program Alternative.* Jurisdictions may satisfy up to 25 percent of their obligation to identify land for development in the housing element by implementing a program to make affordable housing units available through preservation or rehabilitation of existing affordable housing units, as well as conversion of existing property into affordable housing through committed assistance. A jurisdiction may reduce its obligation to identify adequate sites on a one-for-one basis for each unit that is maintained or created through this program of committed assistance.

## Comments

- 1) Author's statement. "SB 457 Current law allows for a city to provide up to 25% of their low-income RHNA through the preservation of affordable housing. In order to qualify for receiving credit they must demonstrate that they have entered into a legally enforceable agreement with committed financial assistance or in-kind services substantial enough to make the units available for occupancy within 2 years of the agreement taking effect. Smaller city governments have sought to pursue in-kind services - such as staff time, fee

deferral, waivers or other similar mechanisms where the jurisdiction participates in the conversion, or preservation of the property - to qualify units for meeting HCD requirements. However, HCD does not have any published specific guidance on what constitutes valid “in-kind services” resulting in additional administrative ambiguity. Additionally, community land trusts desire certainty that the assistance they’re offered will facilitate long-term affordability for their communities. This bill will provide statutory clarity around what kinds of activities qualify as “in-kind services” while preserving the ability of HCD to publish guidance as they see fit so that smaller jurisdictions and mission-driven nonprofits can pursue diverse avenues of preserving affordable housing.”

- 2) *Committed Assistance.* The adequate sites program alternative requires that local agencies implement verifiable measures of committed assistance for each identified unit. The law strictly defines committed assistance to mean that “the city or county enters into a legally enforceable agreement during the period from the beginning of the projection period until the end of the third year of the planning period that obligates sufficient available funds or *other in-kind services* to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. ‘Committed assistance’ does not include tenant-based rental assistance.” (Emphasis added).
- 3) *In-kind services.* This bill seeks to further refine the definition “committed assistance” by defining a list of activities that constitute “in-kind services.” The term “in-kind services” is not currently defined for the purposes of the adequate sites program alternative. The proposed definition in the bill identifies two categories of activities that constitute in-kind services and authorizes HCD to identify other activities that constitute in-kind services. In-kind services are nonmonetary contributions.

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

**SUPPORT:** (Verified 1/21/26)

California Community Land Trust Network  
Mountainview Community Land Trust

**OPPOSITION:** (Verified 1/21/26)

None received

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1/21/26 16:05:23

**\*\*\*\* END \*\*\*\***