

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 507 (Limón) – As Amended July 8, 2025

Policy Committee:	Housing and Community Development	Vote:	12 - 0
	Local Government		10 - 0

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

SUMMARY:

This bill authorizes voluntary agreements between local governments and federally recognized tribes to allow new tribal housing developments to count toward a local government's regional housing needs allocation (RHNA) if specified conditions are met.

Specifically, this bill:

- 1) Authorizes a local government within the same county as a federally recognized Native American tribe to enter into a voluntary agreement with a tribe to allow new tribal housing development projects to count toward the locality's share of RHNA if all of the following conditions are met:
 - a) The local government executing the agreement has permitting authority over the site on which the tribal housing development is located.
 - b) If the local government executing the agreement does not have the permitting authority described above, the voluntary agreement must demonstrate the housing units will be built, as specified.
 - c) The tribal housing development is located on a site within the boundaries of, or contiguous to, the local government.
 - d) The units in the tribal housing development meet the definition of housing unit, as defined by the United States Census Bureau.
- 2) Prohibits a local government from requiring a tribe to waive tribal sovereign immunity in order to enter into such an agreement.
- 3) Specifies the bill does not affect an existing tribal housing development being counted towards a locality's share of RHNA regardless of whether the local government and a tribe enter into a voluntary agreement pursuant to this bill.
- 4) Defines "tribal housing development" to mean a housing development located on a site held in fee simple by a tribe or held in trust by the United States for the benefit of a tribe.

FISCAL EFFECT:

- 1) HCD estimates minor and absorbable costs to develop new guidance for the voluntary agreements and make changes to the Annual Progress Report system to track housing produced as a result of the agreements.
- 2) Because this bill authorizes, but does not require, a local government to enter into an agreement pursuant to this bill, any costs incurred by a local government are not reimbursable by the state.

COMMENTS:

- 1) **Purpose.** According to the author, “Reservations are treated as federal land for purposes of the RHNA and thus are considered ineligible to count towards the RHNA process. [This bill] creates an opportunity for local governments to engage with willing tribal partners to meet their regional housing needs.”

This bill is sponsored by the Santa Ynez Band of Chumash Indians and is supported by numerous tribes and tribal representatives, as well as the California State Association of Counties. There is no opposition.

- 2) **Background.** California has the largest Native American/American Indian population in the nation with nearly 360,500 Californians identifying in whole or part as “American Indian.” California has 109 federally recognized tribes, which include nearly 100 small reservations and Rancherias spread across the state. A small percentage of California tribes’ land is held in trust by the U.S. government – often on reservations and Rancherias – as compared to fee land, which is under complete control of its tribal owner or individual tribal member, or restricted fee land, which is owned by a tribe or tribal member but cannot be sold or encumbered.

According to the sponsor, while the reservation lands of federally recognized tribes in California are the sovereign territories of each respective tribe, these lands are considered federal lands for purposes of RHNA and thus are excluded from the RHNA process.

Housing element statute does not explicitly allow tribal housing to count toward a local government’s RHNA, but HCD sometimes allows it. However, because a local jurisdiction may not have permitting authority over the site on which the tribal housing development is located, HCD requires assurances, such as agreements, documentation, and data, indicating the jurisdiction will be able to successfully build housing on these sites. HCD also requires any housing built to meet the Census definition of a housing unit, among other requirements.

This bill authorizes voluntary agreements between a local jurisdiction and a tribe to allow new tribal housing development projects, including projects located on land held in fee simple and on land held in federal trust, to count toward the locality’s RHNA. The bill includes the assurances required by HCD when a local government does not have permitting authority over the site where the tribal housing is located. The bill also prohibits a local government from requiring a tribe to waive sovereign immunity in order to enter into an agreement pursuant to these provisions.

- 3) **Related Legislation.** AB 670 (Quirk-Silva), AB 726 (Avila Faris), and AB 1131 (Ta), of this legislative session, allow local governments to count (a) multifamily units converted to affordable housing, (b) deed-restricted substantially rehabilitated units, and (c) congregate

housing for the elderly, respectively, toward meeting a locality's share of RHNA. These bills are all pending in the Senate Appropriations Committee.

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