
UNFINISHED BUSINESS

Bill No: SB 507
Author: Limón (D)
Amended: 7/8/25 in Assembly
Vote: 21

SENATE HOUSING COMMITTEE: 11-0, 4/29/25
AYES: Wahab, Seyarto, Arreguín, Cabaldon, Caballero, Cortese, Durazo,
Gonzalez, Grayson, Ochoa Bogh, Padilla

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 38-0, 6/2/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear,
Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez,
Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello,
Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas,
Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes

ASSEMBLY FLOOR: 74-0, 8/28/25 (Consent) - See last page for vote

SUBJECT: Planning and zoning: regional housing needs allocation

SOURCE: Santa Ynez Band of Chumash Indians

DIGEST: This bill authorizes local governments to enter into voluntary agreements with tribes to allow new tribal housing developments to count toward the locality's regional housing needs allocation (RHNA).

Assembly Amendments of 7/8/25 state that this bill does not affect an existing tribal housing development that is being counted towards a locality's share of RHNA regardless of whether a local government and a tribe enter into a voluntary agreement, as specified.

ANALYSIS:

Existing law:

- 1) Provides that each community's fair share of housing be determined through the RHNA process, which is composed of three main stages:
 - a) The Department of Finance and the Department of Housing and Community Development (HCD) develop regional housing needs estimates;
 - b) COGs allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and
 - c) Cities and counties incorporate their allocations into their housing elements.
- 2) Requires each city and county to adopt a housing element, which must contain specified information, programs, and objectives.
- 3) Establishes a process under which planning agencies submit draft housing element revisions to HCD and make drafts available for public comment, and HCD determines whether the draft housing element or draft amendments substantially complies with housing element law.

This bill:

- 1) Defines "tribal housing development" as 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 federally recognized Native American tribe.
- 2) Authorizes a local government located within the same county as a federally recognized Native American tribe (tribe) to enter into voluntary agreements with the tribe to allow new tribal housing development projects to count toward the locality's 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 project is located.
 - b) The tribal housing development project is located on a site within the boundaries of, or contiguous to, the local government.
 - c) The units in the tribal housing development project meet the definition of housing unit, as defined by the United States Census Bureau.

- 3) Requires, if the local government executing the agreement does not have permitting authority over the site on which the tribal housing development project is located, that the voluntary agreement must demonstrate that the housing units will be built, including but not limited to one or more of the following:
 - a) Agreement with the tribe regarding approvals, permits, certificates of occupancy, or reporting new units to the Department of Finance.
 - b) Documentation from the tribe demonstrating that planned housing has been approved to be built within the current RHNA cycle.
 - c) Data regarding the timing of project construction and unit affordability by household income category.
- 4) Prohibits a local government from requiring a tribe to waive tribal sovereign immunity in order to enter into such an agreement.
- 5) States legislative intent encouraging HCD to approve units in a tribal housing development as counting toward the locality's RHNA allocation if these conditions are met.
- 6) Provides that this bill does not affect an existing tribal housing development that is being counted towards a locality's share of RHNA regardless of whether a local government and a tribe enter into a voluntary agreement, as specified.

Background

Housing elements. Every city and county in California is required to develop a general plan that outlines the community's vision of future development through a series of policy statements and goals. A community's general plan lays the foundation for all future land use decisions, as these decisions must be consistent with the plan. General plans are comprised of several elements that address various land use topics. State law mandates seven elements: land use, circulation (e.g., traffic), housing conservation, open-space, noise, and safety.

Each community's general plan must include a housing element, which outlines a long-term plan for meeting the community's existing and projected housing needs. The housing element demonstrates how the community plans to accommodate its "fair share" of its region's housing needs. Following a staggered schedule, cities and counties located within the territory of a metropolitan planning organization (MPO) must revise their housing elements every eight years, and cities and

counties in rural non-MPO regions must revise their housing elements every five years. These five- and eight-year periods are known as the housing element planning period.

In general, a housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet its share of the RHNA, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

RHNA process. Before each housing element revision, each community is assigned its fair share of the region's housing need for four separate income categories (very low-, low-, moderate-, and above-moderate income households) through a two-step process known as RHNA. First, HCD determines the aggregate housing need for the region during the planning period the housing element will cover; then the COG allocates the regional housing need to each city and county within the region.

Comments

- 1) *Author statement.* “Reservations are treated as federal land for purposes of the RHNA and thus are considered ineligible to count toward the RHNA process. SB 507 creates an opportunity for local governments to engage with willing tribal partners to meet their regional housing needs.”
- 2) *Background on tribal access to state housing programs.* 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. Additionally, the rate of tribal poverty is more than twice that of the rest of California's population and one-third of tribal residents live below the federal poverty line.¹
- 3) *Ownership of tribal lands varies.* California differs from other states in that only 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, 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. Trust or restricted fee lands may also be allotted, in that

¹ California Coalition for Rural Housing and Rural Community Assistance Corporation, “California Tribal Housing Needs and Opportunities: A Vision Forward” (2019)

these were formerly communal lands that have since been broken up into individual allotments redistributed among individual tribal members. As a result, there are a variety of complex tribal property ownership and land designation statuses that require specialized knowledge to navigate for purposes of developing tribal housing.²

- 4) *Can tribal housing be counted toward RHNA?* Housing element statute does not explicitly allow tribal housing to be counted toward a local government's RHNA, since tribal housing is generally located on land held in federal trust. Because the population living on federal trust land is generally not included in a jurisdiction's population estimate on which its RHNA allocation is based, housing units built on that land is generally not counted as serving the jurisdiction's housing need.

In practice, HCD does sometimes allow housing units built on tribal lands to help meet a jurisdiction's RHNA. However, these sites are treated differently because the local government may not have authority over the planning, permitting, and decision-making processes of land owned by another public entity. Therefore, assurance must be provided that the jurisdiction will be able to successfully build housing on these sites; in addition, any housing that is built must meet the Census definition of a housing unit (*e.g.*, not group quarters). Examples of assurance include an agreement granting the jurisdiction authority to approve, permit, certify occupancy, and/or report new housing units to the Department of Finance; documentation from the entity controlling the land demonstrating that the planned housing has been approved to be built within the current RNHA cycle; and data relating to the timing of project construction and unit affordability by household income category.³

This bill would authorize voluntary agreements between a locality and a tribe to allow new tribal housing development projects – including those on land held in federal trust – to count toward the locality's RHNA. The assurances discussed above are provided for in this bill.

- 5) *Need for this bill.* According to the Santa Ynez Band of Chumash Indians, sponsor of this bill, in 2021 the Santa Barbara County Association of Governments (SBCAG) adopted a new RHNA Plan which allocated 280 new housing units to the Santa Ynez Valley area surrounding the Chumash

² Congressional Research Service, "Tribal Lands: An Overview" (2021)

³ HCD, "Housing Element Site Inventory Guidebook, Government Code Section 65583.2" (June 10, 2020), [Housing Element Sites Inventory Guidebook \(ca.gov\)](#)

reservation. Of these, 203 units must be zoned as very-low, low-, and moderate-income housing. In May 2024, the Santa Barbara County Board of Supervisors approved a plan to rezone 28 sites across the county to meet the overall RHNA targets. The only site in the Santa Ynez Valley that was selected to meet the RHNA need was a Chumash-owned property, which the county rezoned to allow for the development of 91 low-income and 30 moderate-income units.

Today this parcel on Highway 246 is owned in fee by the tribe; however, the tribe may eventually place this parcel into federal trust as part of the Chumash reservation. If that occurs, these 121 housing units will no longer count towards the County's RHNA total because tribal reservations are considered federal land exempt from RHNA.

Similarly, the Chumash also have plans for 143 new housing units on the Chumash reservation. The inclusion of these 143 units towards the RHNA, in addition to the 121 units on Chumash's Highway 246 parcel would provide 264 of the 280 new housing units, nearly 95% of the Santa Ynez Valley's RHNA allocation.

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

SUPPORT: (Verified 8/28/25)

Santa Ynez Band of Chumash Indians (Source)
 California State Association of Counties
 Cniga - California Nations Indian Gaming Association
 Elk Valley Rancheria, California
 Middletown Rancheria
 North Fork Rancheria of Mono Indians of California
 Rincon Band of Luiseño Indians
 San Pasqual Band of Mission Indians
 Soboba Band of Luiseno Indians
 Tribal Alliance of Sovereign Indian Nations

OPPOSITION: (Verified 8/28/25)

None received

ASSEMBLY FLOOR: 74-0, 8/28/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo,

Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Alvarez, Berman, Elhawary, Gallagher, Valencia

Prepared by: Alison Hughes / HOUSING / (916) 651-4124
8/28/25 16:50:10

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