Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 677 (Wiener) – As Amended July 7, 2026

Policy Committee:	Housing and Community Development	Vote:	11 - 0
	Local Government		9 - 0

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

SUMMARY:

This bill prohibits an interested person from appealing a parcel map for a housing development project on an urban infill site, and authorizes the State Treasurer to enter the state into a Joint Powers Authority (JPA) for federal tax-related purposes, including to provide federally required bond issuance approvals for affordable housing projects that have been awarded tax-exempt private activity bonds (PABs).

Among its provisions, this bill:

1) Authorizes the State Treasurer, on behalf of the state, to execute an agreement including the state as a member of a JPA without obtaining approval from DGS.

2) Authorizes the State Treasurer, on behalf of the state, to provide any approval, consent, or other action, including approvals required by federal tax law, related to the issuance of bonds to finance qualified residential rental projects or other affordable multifamily rental housing, including, but not limited to, tax exempt PABs and tax exempt obligations, as well as tax exempt multifamily housing revenue bonds issued by a city, county, or city and county pursuant to existing law.

3) Specifies, for the purposes of item 2, above, "city," "county," and "city and county" are deemed to include the state when the state is a member of a JPA, and the State Treasurer, on behalf of the state, may provide the applicable approval, consent, or other action with respect to the issuance of bonds. Any approval, consent, or other action by the State Treasurer constitutes the approval or other action of the city, county, or city and county.

4) Prohibits an interested person from filing an appeal pursuant to specified provisions of the Subdivision Map Act (SMA) regarding parcel, tentative, or final map provisions, if the map relates to a housing development project that is located entirely in an urban area and meets specified infill criteria, is serviced by public water and sewer systems, and is not located on sensitive land, including prime farmland, wetlands, very high fire hazard severity zones, lands under conservation easements, or land in certain areas of the coastal zone.

5) Provides the prohibition in item 4, above, does not apply to an applicant, subdivider, tenant in the case of residential conversion projects, or advisory agency otherwise authorized to file an appeal under applicable law, as well as a public agency or a public official acting within the course and scope of their employment.

FISCAL EFFECT:

1) Ongoing General Fund costs to the State Treasurer's Office are likely minor and absorbable.

2) Local costs of an unknown, but likely minor amount to cities and counites to revise parcel map appeals criteria. These costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.

COMMENTS:

1) **Purpose.** According to the author:

> To address our housing crisis, we must build more housing, faster. California has taken great strides to zone for more homes and cut red tape for housing development. While state law prohibits appeals for certain entitlement and postentitlement permit approvals, such projects can still have their parcel maps appealed. Moreover, local governments can delay or hold up public tax-exempt financing for affordable housing projects. These delays can result in projects missing financing deadlines and losing out on tax-exempt financing opportunities, killing projects. SB 677 cracks down on frivolous parcel map appeals and delays in approval of tax-exempt financing, ensuring that the state continues accelerating housing production.

2) **Background.** ***JPAs.*** Existing law, the Joint Exercise of Powers Act, authorizes two or more public agencies, by agreement, to form a JPA to exercise any power common to the contracting parties. Existing law authorizes, among other entities, the federal government, the state, a county, city, or special district, a federally recognized Indian tribe, or any JPA to enter into a joint powers agreement. Existing law requires Department of General Services (DGS) approval of certain joint powers agreements that include the state as a member.

   Existing law authorizes a JPA to issue revenue bonds to pay the costs and expenses of acquiring, constructing, or conducting a program for low-income housing projects owned or operated by a city, county or housing authority. Existing law designates the State Treasurer and the Secretary of State as elected representatives for federal tax purposes of a JPA created to approve or certify the issuance of bonds or other indebtedness issued by or on behalf of the JPA to the extent approval is required by federal tax law.

   The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). TEFRA requires tax-exempt PABs to receive public approval before they may be issued. "TEFRA approval" generally requires a public hearing following reasonable public notice and approval by an applicable elected representative.

   For affordable multifamily housing developments, tax-exempt PABs are a commonly used financing tool and are frequently paired with federal 4% low-income housing tax credits (LIHTC). Because tax-exempt PABs cannot be issued until applicable federal requirements, including public agency approval through a TEFRA hearing, have been satisfied, delays in obtaining required TEFRA approvals may affect a project's financing schedule and a project's ability to proceed within required federal and state timelines.

To prevent affordable housing project delays due to delayed TEFRA approvals, this bill authorizes the State Treasurer to enter the state into a JPA for federal tax purposes, including providing federally required TEFRA approvals for affordable housing projects that have been awarded tax-exempt PABs.

Subdivision Map Act. Existing law, the SMA, governs how local officials regulate the division of real property and provides for the approval of tentative and final parcel maps by various local officials. The SMA authorizes an applicant, subdivider, tenant, or public agency, among others, as well as any interested person (third party) adversely affected by a tentative, final or parcel map decision to file an appeal with the local legislative body within 10 days after the action. The legislative body must set the appeal for hearing within 45 days and upon the conclusion of the hearing must, within 10 days, declare its findings.

To protect against frivolous map appeals, this bill creates an exception to the above-described process by prohibiting most third-party appeals to the local legislative body for a housing project located in an urban area and meets specified infill criteria, is serviced by public water and sewer systems, and is not located on sensitive land.

3) **Support and Opposition.** This bill is cosponsored by the California Council for Affordable Housing, California YIMBY, the Housing Action Coalition, and the Mission Housing Development Corporation, who assert:

> Affordable projects are often structured around multiple, time-sensitive funding streams – including tax-exempt bonds, LIHTCs, and competitive grants. Even a short delay caused by a frivolous map appeal can force a project to miss critical financing deadlines, lose grant funds, or wait for an entirely new funding cycle. Failure to obtain TEFRA approvals can cause bond financing to collapse altogether, threatening projects that serve the lowest-income Californians.

This bill is opposed by several cities and neighborhood groups. The Equitable Land Use Alliance asserts:

> [This bill] creates an exception to the SMA, limiting third-party appeals, or in essence appeals by the public to challenge property division maps. This removes legitimate democratic rights especially when a development project is too large as to threaten fire evacuation routes in Extremely High Fire Hazard Severity Zones as per CalFire. The public should retain their ability to challenge a decision made by the local jurisdiction to allow fairness to protect their homes in such cases.

4) **Previous Legislation.** SB 1114 (Haney), Chapter 753, Statutes of 2023, prohibited a city or county from subjecting the post-entitlement phase permit to any appeals or additional hearing requirements once a local agency determines a post-entitlement permit is compliant with applicable permit standards, among other provisions.

Analysis Prepared by: Jennifer Swenson / APPR. / (916) 319-2081