SENATE THIRD READING
SB 677 (Wiener)
As Amended August 20, 2026
Majority vote

## SUMMARY

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 provide specified approvals for tax-exempt private activity bonds (PABs) financing eligible residential rental projects when the local agency where the project is located fails to provide the federally required approvals.*

**Major Provisions**

1) *Provides that the geographic jurisdiction of a Joint Powers Authority (JPA) is the area encompassed by the combined geographic boundaries of all of its member public agencies, and declares that this provision is declaratory of existing law.*

2) *Defines an "eligible residential rental project" as a qualified residential rental project that has received, or requires specified federal approval to receive, an allocation of tax-exempt PABs from the California Debt Limit Allocation Committee (CDLAC), and for which the city, county, or city and county where the project is located is a member of the bond-issuing JPA and has failed to provide specified federal tax or JPA member approvals after receiving a written request.*

3) *Provides that a local agency has failed to provide an approval required by federal tax law if it does not hold the required hearing and provide approval within 30 days of a written request, unless the local agency has published a "qualifying document" establishing a different timeline, which may not exceed 90 days, and containing specified information.*

4) *Authorizes the State Treasurer, on behalf of the state, to enter the state as a member of a JPA without obtaining approval from the Department of General Services (DGS), limited to providing specified federal tax approvals and JPA member consents or approvals for the issuance of tax-exempt PABs and specified multifamily housing revenue bonds financing eligible residential rental projects. Specifies that the state's membership does not otherwise expand the powers of the JPA or provide the state or Treasurer with other powers or rights under the JPA agreement.*

5) 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.

6) Provides the prohibition in *5),* 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.

## COMMENTS

*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 JPA. Existing law requires DGS approval of certain JPAs 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 *and other required bond* approvals, this bill *establishes a process for* the State Treasurer to enter the state into a JPA *and provide specified approvals for an eligible residential rental project when the local agency where the project is located fails to act within specified timeframes. These provisions apply to qualified residential rental projects that have received an allocation of tax-exempt PABs from CDLAC, or require federal approval to obtain such an allocation, and for which the city, county, or city and county where the project is located is a member of the bond-issuing JPA. This bill deems a local agency to have failed to provide federally required approval if it does not hold the required hearing and provide approval within 30 days after receiving a written request, unless the local agency has published a "qualifying document" establishing a different timeline, not to exceed 90 days.*

*This bill authorizes the Treasurer to provide specified federal tax approvals and JPA member consents or approvals necessary for the JPA to issue tax-exempt PABs or specified multifamily housing revenue bonds for the project. The Treasurer may enter the state as a member of the JPA for these purposes without DGS approval. This bill limits the state's membership in the JPA to these purposes and specifies that the state and Treasurer do not acquire other powers or rights under the JPA agreement.*

*This bill also provides that the geographic jurisdiction of a JPA is the area encompassed by the combined geographical boundaries of all of its member public agencies and declares this provision to be declaratory of existing law.*

*Subdivision Map Act Approvals:* The SMA governs the division of land into smaller parcels for sale, lease, or financing. Cities and counties implement the SMA through local subdivision ordinances and use the SMA to regulate the design of subdivisions and require public improvements and dedications, including streets, drainage facilities, utility easements, and other infrastructure. Subdivision approvals must be consistent with the local general plan and applicable subdivision standards.

Most subdivisions creating five or more parcels require approval of a tentative map followed by a final map. A tentative map is a discretionary approval that establishes the design of the subdivision and allows a local agency to evaluate the project's consistency with applicable planning and subdivision requirements and impose conditions of approval. Once the subdivider satisfies those conditions and complies with applicable requirements, the local agency must approve the final map, which is ministerial. Smaller subdivisions creating four or fewer parcels typically use a parcel map process, although local agencies may require a tentative and final map for those projects as well.

Housing developments that include individually owned units, such as condominiums, townhomes, or subdivisions of detached single-family homes, require a subdivision map so that the individual units or lots may be sold separately. Rental housing developments typically do not require a subdivision map because the project remains under single ownership. However, affordable housing and multifamily rental developments may still seek subdivision approvals for financing, ownership, tax credit, operational, or asset management purposes. As a result, rental projects that are otherwise entitled and ready to proceed may remain subject to the SMA process.

This bill would prohibit most third-party appeals to the local legislative body of tentative map, final map, parcel map, and related subdivision decisions for qualifying infill housing projects. Specifically, this bill would bar appeals by interested persons when the map is part of a housing development project located in an urbanized area, meets specified infill criteria, is served by public water and sewer systems, and is not located on specified environmentally sensitive, agricultural, coastal, flood-prone, fire hazard, seismic hazard, or lands under conservation easement. This bill would preserve appeal rights for applicants, subdividers, tenants in residential conversion projects, advisory agencies otherwise authorized to appeal under existing law, and public agencies or public officials acting within the course and scope of their employment. As a result, qualifying infill housing subdivision maps would generally be insulated from administrative appeals by private third parties.

**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."

**Arguments in Support**
*None on file for current bill version*.

**Arguments in Opposition**
*None on file for current bill version*.

## FISCAL COMMENTS

According to the Assembly Appropriations Committee:

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.

## VOTES

**SENATE FLOOR: 24-10-6**
**YES:** Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Umberg, Wahab, Weber Pierson, Wiener
**NO:** Alvarado-Gil, Blakespear, Choi, Grove, Jones, Niello, Seyarto, Smallwood-Cuevas, Strickland, Valladares
**ABS, ABST OR NV:** Allen, Archuleta, Dahle, Gonzalez, Menjivar, Stern

**ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1**
**YES:** Haney, Ávila Farías, Caloza, Garcia, Kalra, Lee, Ward, Ta, Tangipa, Wicks, Wilson
**ABS, ABST OR NV:** Patterson

**ASM LOCAL GOVERNMENT: 9-0-1**
**YES:** Carrillo, Ta, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson
**ABS, ABST OR NV:** Johnson

**ASM APPROPRIATIONS: 14-1-0**
**YES:** Wicks, Hoover, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa
**NO:** Dixon

## UPDATED

VERSION: August 20, 2026

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