SENATE RULES COMMITTEE SB 677
Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 677
Author: Wiener (D), et al.
Amended: 8/20/26
Vote: 21

Prior Senate Votes not Relevant pursuant to Senate Rule 29.10(d)

SENATE LOCAL GOVERNMENT COMMITTEE: 8/26/26, 4-3
AYES: 4
NOES: 3

ASSEMBLY FLOOR: 63-2, 8/25/26 - See last page for vote

SUBJECT: Housing financing: joint powers agreements: bond approvals: subdivisions: tentative and final maps: appeals

SOURCE: California Council for Affordable Housing
California Yimby
Housing Action Coalition
Mission Housing Development Corporation

DIGEST: 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 provide specified approvals for tax-exempt private activity bonds under specified circumstances.

Assembly Amendments strike the contents of the bill and insert the current provisions.

ANALYSIS:

Existing law:

1) Allows, under the California Constitution, cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws."

2) Requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory "elements," including a housing element that establishes the locations and densities of housing, among other requirements.

3) Requires cities' and counties' major land use decisions—including zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

4) Governs, pursuant to the Subdivision Map Act, how local officials regulate the division of real property into smaller parcels for sale, lease, or financing.

5) Allows the appeals by the subdivider, residential tenants, and interested parties to appeal local subdivision map decisions.

6) Allows a joint powers authority (JPA) to issue bonds, including private activity bonds.

7) Requires, pursuant to federal law, requires tax-exempt private activity bonds to receive public approval before they may be issued.

8) Designates the Treasurer and the Secretary of State as elected representatives for federal tax purposes of a joint powers agency created to approve or certify the issuance of bonds, notes, or other evidence of indebtedness issued by or on behalf of the joint powers agency to the extent approval is required by federal tax law.

9) Allows the Treasurer to join a JPA with approval from the Department of General Services.

This bill:

1) Prohibits an interested person from filing an appeal pursuant to specified provisions of the Subdivision Map Act (Map Act) 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.

2) Provides the above prohibition 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.

3) Provides that the geographic jurisdiction of a 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.

4) 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 private activity bonds 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.

5) 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.

6) Authorizes the State Treasurer, on behalf of the state, to enter the state as a member of a JPA without obtaining approval from DGS, limited to providing specified federal tax approvals and JPA member consents or approvals for the issuance of tax-exempt private activity bonds and specified multifamily housing revenue bonds financing eligible residential rental projects.

7) 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.

8) Makes other technical, clarifying, and conforming changes.

Background

Map Act appeals. The Map Act allows a subdivider to appeal an action of the planning commission (called an “advisory body”) related to a tentative map to either an appeal board or legislative body, as designated in the local ordinance, and provides for the appeal from the decision of the appeal board to the legislative body. Originally, only subdividers and tenants in certain residential projects could appeal from adverse administrative decisions concerning tract maps. The Legislature amended the Map Act in 1974 to extend the right to appeal to "interested persons."

The Map Act requires local agencies to hear appeals from the planning commission to the appeals board or legislative body no more than 45 days after the appellant files the request. If there is no regularly scheduled meeting of the legislative body during that time, the local agency can schedule the hearing for the next regularly scheduled meeting, or up to 60 days after the appeal is filed, whichever is shorter.

In June 2025, local residents appealed the approval of a subdivision map for a 136-unit 100% affordable housing project in San Francisco. In July 2025, the San Francisco Board of Supervisors rejected the appeal. The developer, Mission Housing Development Corporation, a nonprofit affordable housing development organization operating in San Francisco, reports that the appeal delayed development of the project by eight weeks.

TEFRA approval for private activity bonds. Federal law requires tax-exempt private activity bonds to receive public approval before they may be issued. Commonly referred to as TEFRA approval, deriving from the Tax Equity and Fiscal Responsibility Act of 1982, this process generally requires a public hearing following reasonable public notice and approval by an applicable elected representative. State law designates the 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, notes, or other debt issued by or on behalf of the JPA, to the extent federal law requires that approval.

For affordable multifamily housing developments, tax-exempt private activity bonds are a commonly used financing tool and are frequently paired with certain federal low-income housing tax credits. The California Housing Finance Authority, which is a state agency that acts as a lender to housing projects, can also issue private activity bonds on behalf of housing projects.

Because tax-exempt private activity bonds cannot be issued until the applicable federal requirements, including receiving public agency approval through a TEFRA hearing, have been satisfied, the timing of TEFRA hearings and approvals can affect a project's financing schedule. Affordable housing developments that rely on tax-exempt bonds and associated tax credits are often subject to application deadlines and funding timelines established by state and federal financing programs. Delays in obtaining required approvals may affect a project's ability to proceed within those timelines.

In 2024, the Department of Housing and Community Development's (HCD's) Housing Accountability Unit sent a "Letter of Support and Technical Assistance" to the City of Concord after its City Council failed to approve a TEFRA resolution for a 183-unit affordable housing development that had already received its local land use entitlements. In the letter, HCD argued that denying the TEFRA approval could jeopardize the project's tax-exempt bond financing and potentially conflict with the City's housing element commitments and obligations to affirmatively further fair housing. HCD further noted that the TEFRA approval would not make the City responsible for the debts, liabilities, or obligations associated with the bond issuance.

Affordable housing developers and others want the Legislature to address concerns around TEFRA approvals and subdivision map appeals.

Comments

1) *Purpose of the bill.* 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 helps affordable housing projects avoid delays in approval of tax-exempt financing, ensuring that the state continues accelerating housing production."

2) *Power from the people.* Interested persons have been able to administratively appeal local subdivision map decisions without going to court since 1974. This provision ensures that cities and counties adhere to the Map Act and their own local ordinances when approving subdivision maps and grants the public the ability to point out errors in these decisions. SB 677 prohibits interested persons from appealing subdivision map decisions on housing projects that are located within certain urban, infill areas at the local level. The bill's limitation is intended to reduce frivolous appeals for housing projects in locations that are unlikely to have negative impacts, but in doing so, it could raise barriers to addressing legitimate issues with local approvals by requiring appellants to engage an attorney to sue in court to get a local agency to revisit its subdivision map decisions.

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

According to the Assembly Appropriations Committee:

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

SUPPORT: (Verified 8/28/26)

California Council for Affordable Housing (co-source)
California Yimby (co-source)
Housing Action Coalition (co-source)
Mission Housing Development Corporation (co-source)
AARP
Abundant Housing Los Angeles
Council of Infill Builders
Cypress Equity Investments
East Bay Yimby
Eden Housing
Grow the Richmond
Inner City Law Center
Mayor Todd Gloria, City of San Diego
Midpen Housing Corporation
Monterey Peninsula Yimby
Mountain View Yimby
Napa-solano for Everyone
Northern Neighbors Sf
Peninsula for Everyone
San Francisco Yimby
San Jose Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
South Bay Yimby
Southern California Association of Non-profit Housing (SCANPH)
Spur
Ventura County Yimby

Yes! in Redwood City
Yimby Action
Yimby Los Angeles
Yimby Slo

OPPOSITION: (Verified 8/28/26)

California Habitat Conservation Planning Coalition
California Native Plant Society
Center for Biological Diversity
Endangered Habitats League
Equitable Land Use Alliance (ELUA)
Green Foothills
Neighbors for a Better San Diego
Planning and Conservation League
Save Lafayette
Wake Up California

ASSEMBLY FLOOR: 63-2, 8/25/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Davies, Fong, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Sanchez
NO VOTE RECORDED: Bauer-Kahan, Boerner, Castillo, Chen, Connolly, Dixon, Elhawary, Ellis, Flora, Gabriel, Johnson, McKinnor, Muratsuchi, Schiavo

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8/30/26 13:51:57

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