

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 916 (Ashby) – As Amended June 17, 2026

Policy Committee: Judiciary Vote: 12 - 0

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

SUMMARY:

This bill adds student housing projects owned by a public university to the categories of housing development projects for which a defendant may ask the court to require a plaintiff to post a litigation bond when a challenge under the California Environmental Quality Act (CEQA) is brought in bad faith, vexatiously, for the purpose of delay, or to thwart the project. The bill defines a student housing project as one or more housing facilities to be occupied by students of one or more campuses and owned by a public university, including dining, academic, and student support service spaces, and related facilities.

FISCAL EFFECT:

- 1) Minor and absorbable General Fund costs to the University of California (General Fund) to bring motions for litigation bonds in the narrow category of cases the bill covers. UC reports that the circumstances in which UC would successfully seek a bond under the bill would be very rare and cannot be reasonably quantified. UC further reports that the bill could produce unknown potential cost savings to the extent the prospect of a bond deters or shortens bad-faith CEQA litigation that delays student housing projects.
- 2) Minor and likely absorbable cost pressures to the trial courts (Trial Court Trust Fund, General Fund) to hear additional bond motions in CEQA challenges to student housing projects. The universe of affected cases is small — UC reports that seven student housing projects were sued under CEQA between 2018 and 2022 — and any added motion workload could be partially offset to the extent the prospect of a bond deters bad-faith litigation.

COMMENTS:

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

SB 916 aims to protect student housing by clarifying that courts have discretion to require a bond in lawsuits challenging student housing. While existing law already grants courts this discretion for affordable housing projects, it does not extend the same protection to student housing. By closing this gap, SB 916 will allow much-needed student housing projects to proceed without barriers or unnecessary delays.

- 2) **Background.** Code of Civil Procedure Section 529.2 allows a defendant in a civil action challenging a low- or moderate-income housing development project to ask the court, by

noticed motion, to require the plaintiff to post a bond as security for the costs and damages the defendant may incur from a delay in carrying out the project. The court may impose the bond only if the defendant shows the action is without merit and was brought in bad faith, vexatiously, for the purpose of delay, or to thwart the project, and the court must avoid imposing a bond that would cause the plaintiff undue economic hardship. The plaintiff's liability for the defendant's costs and damages is capped at \$500,000.

SB 393 (Glazer), Chapter 285, Statutes of 2024, strengthened these provisions by shifting to the plaintiff the burden of demonstrating an inability to afford the bond. This bill extends the same bond mechanism to CEQA challenges to student housing projects owned by a public university — a category the sponsor contends has been a frequent target of bad-faith litigation. The bill retains the existing bad-faith showing, so a court may impose a bond only after determining that the underlying challenge lacks merit and was brought to delay or thwart the project, preserving valid CEQA challenges.

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