

2025 California Legislative Preview: Rebuilding, Accelerating Production, and Funding Affordable Housing

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The 2025 California legislative session is officially underway with an unusually large cohort of new legislators. This year, more than 30 new members joined the legislature, and several lawmakers who were pivotal in passing housing bills over the last few sessions termed out. The state legislature also has new leadership in both housing committees: Assemblymember Matt Haney chairs the Assembly Housing and Community Development Committee, and Senator Aisha Wahab chairs the Senate Housing Committee.

The Turner Center has tracked the introduction of more than 160 housing bills so far this session. There are also over 60 “spot bills,” namely, bills that do not currently make substantive changes to state law but may be amended later to address various housing issues. Taken together, California could see over 220 housing-related bills, underscoring the continued legislative interest in tackling California’s housing affordability crisis.

These bills complement proposed changes to administrative organization and funding requests that Governor Gavin Newsom submitted to the legislature in January, which will be taken up in late spring as part of the state’s budget process. One significant change Governor Newsom has proposed is a **reorganization at the State level**: the formation of a new **California housing and homelessness agency**. This agency would consolidate oversight of existing housing entities and lead the State’s efforts to coordinate housing with critical areas such as transportation, climate change, and community planning. If approved, the new agency could streamline decision-making and policy implementation in ways that significantly shape California housing programs and policy.

This commentary highlights key themes and notable bills shaping the state’s legislative and administrative approach to housing.

Response to the Los Angeles Fires

State assistance with coordinating and rebuilding after the Los Angeles wildfires is a major focus of many legislative bills. Assembly Bill **(AB) 239** (Harabedian) would establish a State-led disaster housing task force. Under this bill, the California Department of Housing and Community Development (HCD) and the Office of Emergency Services (OES) would collaborate with local governments to streamline the rebuilding process in impacted communities. The Turner Center has written about the need for **increased intergovernmental coordination** to help support recovery efforts.

AB 818 (Fariás) would prohibit local agencies from denying permit applications for rebuilding or repairing residential properties affected by a natural disaster absent health and safety concerns. The bill would also require agencies to approve or deny such applications within 45 days and prohibit certain fees. **AB 783** (Caloza) would authorize the California Department of General Services to bid on contracts for residential construction materials, with a goal of lowering costs for builders. **AB 797** (Harabedian) would require the Governor's Office of Business and Economic Development to create a revolving investment fund to acquire properties in the disaster area.

SB 606 (Becker) would extend liability immunity to emergency shelters. The bill would also provide immunity to contractors working on emergency housing projects and authorize HCD to review and approve permits for temporary shelter solutions. To further support those affected by the wildfires, several bills aim to protect displaced residents from financial exploitation and housing instability. **SB 663** (Allen) would extend property tax relief measures for properties damaged or destroyed by the Los Angeles wildfires. **AB 851** (McKinnor) would codify and extend the Governor's Executive Order No. N-7-25 prohibiting unsolicited purchase offers for properties in disaster areas at prices below their pre-disaster value. **AB 261** (Quirk-Silva) would provide funding to allow the State Fire Marshal to work with public agencies, tribes, nonprofit organizations and others to better assess the fire hazard of an area and increase transparency of when fire hazard severity zone designations change.

A few bills introduced seek to provide displaced renters secure housing during and after the fires, which could be difficult to **enforce in practice** due to a lack of available data typically available for the rental housing market. **AB 246** (Bryan) would build on the **Tenant Protection Act of 2019** to temporarily freeze rent increases for all residential properties in Los Angeles County until March 1, 2026. Senate Housing Chair Wahab introduced **SB 522**, which would apply the state's existing just-cause eviction protections and rent increase limits to replacement housing built after a disaster if the damaged unit had a certificate of occupancy before its destruction. The bill would also preserve rent control on replacement units if the original housing was rent-controlled. Additionally, it would prohibit cities from approving housing projects on disaster-damaged land that result in fewer units than were originally present.

In response to the growing frequency and scale of property damage, several legislative proposals aim to strengthen home resilience and improve building standards. **AB 1** (Connolly) would require the Department of Insurance to review and update its rules about wildfire risk

reduction by January 2030 and every five years after that. This would include studying building hardening approaches, as well as broader community-level wildfire mitigation programs. **AB 1143** (Bennett) would require the Office of the State Fire Marshal to develop a home hardening certification program by 2027. This program would identify the most effective products, construction techniques, and assemblies for wildfire-resistant homes. **SB 616** (Rubio) would establish a state commission focused on community hardening that would work to update wildfire mitigation standards, fire insurance accessibility, and local wildfire risk reduction efforts, with recommendations due by 2027.

Zoning and Building Code Reforms

The legislature is proposing several bills to increase zoned capacity for housing. **SB 79** (Wiener) would upzone multifamily residential uses near major transit stops on any site zoned for residential, mixed use, commercial, or light industrial development, up to a specified height, density, and floor area ratio, dependent on transit frequency. **SB 677** (Wiener) proposes significant reforms to **SB 9** (2021) and SB 450 (2023), expanding eligibility to any single-family home, removing homeowner occupancy and affordability requirements, and exempting projects from Homeowners Association (HOA) and Covenants, Conditions, and Restrictions (CC&R). The bill would also allow for SB 9-compliant developments after natural disasters, increase unit sizes, allow flexible parcel divisions, and exempt qualifying projects from impact fees for units up to 1,750 square feet. The bill would require local governments to submit any new SB 9-related ordinances to HCD for approval. Historically, the Center has **identified** several of the listed reforms as a path to assist **local governments in implementing Senate Bill 9**. Additionally, **SB 677** reinforces key provisions of **SB 35** (2017) and **SB 423** (2023).¹ Notably, the bill reduces the affordable housing inclusionary requirement from 50 percent to 20 percent of units for jurisdictions that have met their Regional Housing Needs Allocation (RHNA) goal for above-market rate housing but not yet for affordable housing. The bill updates SB 35 eligibility assessment periods from a four-year to a two-year schedule, as is currently the case for San Francisco, ensuring local government compliance and **streamlining housing construction** in eligible cities earlier in the RHNA cycle. **AB 1061** (Quirk-Silva) would clarify that urban lot splits and housing developments must be approved ministerially unless they involve demolishing or altering designated historic properties, reducing local discretion in blocking eligible development.

To accelerate housing construction in coastal areas, **AB 357** (Alvarez) would exempt student and faculty housing projects from the requirement to obtain a coastal development permit. **AB 462** (Lowenthal) would exempt the construction of an ADU within Los Angeles County, and in any county affected by the 2025 fires, from the need to obtain a coastal development permit, since such permits within the coastal zone **have historically experienced delays**. **AB 648** (Zbur) would exempt university-affiliated housing—such as faculty, staff, and student residences—from local zoning regulations when built on property owned or leased by a community college.

The legislature is also examining ways to balance safety with efforts to reduce housing construction costs. **AB 6** (Ward) would require HCD to convene a working group to evaluate whether residential developments with three to 10 units could be built under the California

Residential Code instead of the more complex commercial codes, **which often drive up costs**. Additionally, the bill would mandate a review of how current building standards influence the cost of both single-family and multifamily housing. Findings from the review would inform future code revisions aimed at lowering costs without compromising safety and would be updated every three years, on par with new code changes. **AB 368** (Ward) would direct the State Energy Resources Conservation and Development Commission to evaluate Passive House2 energy efficiency standards as an alternative compliance pathway under the State’s building efficiency regulations. **AB 306** (Schultz) would place a six-year moratorium on local and state amendments to building codes for residential construction, except in emergency cases.

Streamlining Housing Approvals and Supporting Infill Housing

The March 2025 **final report** from the Assembly Select Committee on Permitting Reform finds that systemic permitting challenges have slowed critical housing and climate infrastructure projects in California, and it recommends accelerating government reviews at all stages of a project’s development to address urgent housing and climate needs. A major consideration for all housing projects is the California Environmental Quality Act (CEQA), designed to require state and local government agencies to consider the potential environmental impacts of proposed projects and reduce those impacts to the extent feasible.

Several legislative proposals aim to streamline environmental review processes and encourage sustainable development by supporting the creation of **infill housing**. **AB 314** (Arambula) would update the definition of a major transit stop in CEQA to include high-speed rail stations. **SB 73** (Cervantes) would expand CEQA exemptions, including for projects in a very low-vehicle miles traveled (VMT) area. SB 73 would only be in effect if the project is consistent with a specific plan-level Environmental Impact Report (EIR) covering the area in which the project is located and has been certified within the last 15 years. This bill would also amend where certain CEQA exemptions are geographically prohibited, including where a transit priority project cannot be declared a sustainable communities project.

SB 607 (Wiener) would reduce the burdens of CEQA compliance by, among other things, clarifying the existing exemption in the CEQA guidelines for infill housing. The bill would direct the Office of Land Use and Climate Innovation to map sites in urban areas for this exemption, and it would remove the limitation that such sites must be “substantially surrounded” by other urban uses. It would also provide that if a housing project on an infill site is disqualified from the exemption because of one or more discrete problems, the environmental review should focus only on those problems. In addition, the bill would exempt local rezoning ordinances that implement an approved, CEQA-cleared housing element, and it seeks to clarify and limit the scope of the administrative record on which CEQA disputes are adjudicated in court. Additionally, the bill requires the state to map by July 1, 2026, all infill sites that would be eligible for exempted upzoning. **AB 945** (Fong) would build on existing state density bonus law and require local jurisdictions to grant additional incentives or concessions to green housing developments—i.e., projects designed to meet high sustainability standards—and would prohibit local jurisdictions from mandating car parking in these developments. **AB 507** (Haney) would deem an adaptive reuse project (i.e., a **project** that reuses buildings to increase construction in infill areas) CEQA exempt and subject to a streamlined review process. It would also include an

allocation of housing units to be affordable to low or moderate income households.

Several bills target inefficiencies in the fee collection, permitting, and post-entitlement process to ensure timely housing construction. **AB 253** (Ward) would require local building departments to publish an online residential building permit fee schedule **for greater transparency**. Additionally, applicants would be allowed to hire third-party inspectors to review building plans if the local building department estimates a review time exceeding 30 days or fails to complete it within that period. Expanding on this approach, **AB 1206** (Harabedian) would require local agencies to establish a pre-approval program for both single-family and multifamily developments, with agencies mandated to approve or deny such applications within 30 days. Such an approach would be helpful to **homeowners and builders** in the Los Angeles area recovering from the fires.

To expedite affordable housing development, **AB 301** (Schiavo) would require State departments to adhere to the same approval timelines for post-entitlement phase permits as local agencies. If a State agency fails to meet its review deadlines, the permit would be deemed approved. **AB 1404** (Ortega) would require electrical corporations to connect affordable housing projects to the electrical grid within 60 days, and it would mandate that the Public Utilities Commission streamline any necessary review for affordable housing projects that remain vacant due to grid connection delays exceeding 60 days.

Affordable Housing, Homelessness and Tenant Protections

To increase funding for affordable housing, **AB 736** (Wicks) and **SB 417** (Cabaldon) would place a \$10 billion bond on the ballot. Assembly Constitutional Amendment **ACA 4** (Jackson) proposes to dedicate 5 percent of the state's general budget annually to a newly created affordable housing and homelessness prevention fund. **SB 502** (Arreguín) seeks to redirect 20 percent of revenues from the existing document recording fee (**SB 2**, 2018) to owner-occupied workforce housing or to workforce housing for local educational agencies. Lastly, **SB 686** (Reyes) would allow HCD to approve earlier payoffs for existing affordable housing loans, allowing property owners to use the funds for rehabilitation and preservation of other properties.

The legislature is also exploring the use of property tax exemptions. **SB 336** (Wiener) would expand the property tax exemption for low-income affordable rental housing units at or below 80 percent of Area Median Income (AMI) to include moderate-income rental properties (120 percent AMI). Under this bill, properties would receive a partial exemption based on the percentage of units designated for low- and moderate-income households. To further encourage tenant-led housing preservation, **SB 592** (Smallwood-Cuevas) would expand property tax reassessment exemptions to include rental properties acquired by tenant-led nonprofit organizations, limited equity housing cooperatives, and community land trusts.

Several bills this session aim to strengthen homelessness prevention and response efforts across the state. **AB 804** (Wicks) builds on California Advancing and Innovating Medi-Cal (CalAIM) to make housing support services available for people experiencing or at risk of homelessness to be covered as a Medi-Cal benefit. CalAIM Community Supports have allowed **permanent**

supportive housing providers to increase the level of care, which **currently varies** between counties and managed care plans.

AB 750 (Quirk-Silva) aims to improve the **safety and habitability** of temporary shelters for people experiencing homelessness by requiring local jurisdictions to conduct annual inspections, ensure that shelters display a written notice of occupants' rights, and submit an annual report detailing complaints. HCD would be authorized to withhold funding from jurisdictions that fail to comply.

Two bills seek to address youth homelessness. **AB 249** (Ramos) would require local Continuums of Care (federally defined geographic areas for coordinating homelessness programs) to tailor their service assessment and prioritization systems to the unique circumstances of youth experiencing homelessness. The bill's requirements include: providing youth-specific service, shelter, and housing programs; creating an assessment and prioritization system specific to youth; and establishing an advisory body of people with lived experience of youth homelessness. **SB 685** (Cortese) would create a program at three California State University campuses to provide financial assistance for students between ages 18 and 26 who experienced homelessness in high school.

Several bills this session focus on strengthening tenant protections. Senate Housing Chair Wahab is leading this work with **SB 381**, aiming to limit fees—such as for rent processing and household pets. Additionally, it would cap late fees at 2 percent of rent and prevent landlords from imposing such fees unless rent is seven or more days overdue. The bill would also bundle parking space costs with a rental unit and prohibit a landlord from charging a fee for parking. **SB 381** also places limits on charges for tenant application screenings. If an eviction for nonpayment takes place, **SB 436** (Wahab) seeks to streamline the process for tenants to reclaim their housing. Under current law, tenants can avoid eviction if they pay overdue rent and demonstrate hardship, subject to court approval. This bill would remove the hardship requirement, automatically restoring a tenant's lease if they pay in full.

Recognizing the financial challenges faced by tenants fleeing unsafe living situations, **AB 924** (Davies) would require landlords to return a portion of the security deposit to tenants who terminate their lease due to abuse or violence by another tenant on the same lease. The remaining tenants would be responsible for repaying the disbursed amount within 14 days.

Enhancing Housing Data Transparency and Accountability

Accurate and comprehensive housing data are essential for tracking progress and ensuring local governments meet their housing goals. Several bills this session aim to strengthen reporting requirements and refine the pro-housing designation process to improve accountability at the local level. **SB 681** (Wahab) would require local governments to include details about their density bonus programs in their Housing Element annual progress reports to HCD. **SB 733** (Wahab) would mandate local annual reporting on the permitting of Low-Barrier Navigation Centers, which provide housing and services for individuals experiencing homelessness.

Similarly, **AB 726** (Fariás) would allow local governments to count rehabilitated deed-restricted affordable housing units³ in their annual progress reports (i.e., counting toward their regional housing needs allocations).

AB 670 (Quirk-Silva) would modify Housing Element annual progress reporting requirements to allow local jurisdictions to count units in an existing multifamily building converted to affordable housing by a 55-year deed restriction. **AB 610** (Alvarez) would prohibit local jurisdictions from adopting new laws that could limit residential development following Housing Element certification by HCD. Addressing fair housing obligations, **AB 906** (González) would strengthen the requirements in the Housing Element for local governments to **Affirmatively Further Fair Housing** by demonstrating that a meaningful portion of a region's lower-income housing allocation is placed in higher-income, racially exclusive areas. If a jurisdiction fails to meet this requirement, the bill would mandate rezoning to ensure compliance.

Other Measures

To promote equitable homeownership opportunities, **AB 57** (McKinnor) would require that at least 10 percent of funds in the State's home purchase assistance program be allocated to applicants who are descendants of formerly enslaved people. This targeted investment seeks to address historical **disparities in homeownership access**. **AB 11** (Lee) proposes the creation of a new state agency to develop and manage **social housing** that would meet specific affordability and income-mixing requirements. To fund social housing development, Assemblymember Lee also introduced **AB 590** to place a \$950 million bond on the ballot that would provide zero-interest loans for housing development. **SB 549** (Allen) would revise **Enhanced Infrastructure Financing Districts** (EIFDs), to make it easier for local jurisdictions to allocate property tax revenues to EIFDs. **SB 769** (Caballero) would seek to create a new nonprofit entity within the State Treasurer's Office that would finance major infrastructure projects.

Endnotes

1. Senate Bill 35 (2017), later modified by Senate Bill 423 (2023), aims to expedite housing construction in localities failing to meet their state-mandated Regional Housing Needs Allocation (RHNA) targets. Projects meeting specified affordability, labor, and objective planning standards are granted ministerial (or “by-right”) approval, thus bypassing discretionary review and reducing environmental review requirements. This accelerated process applies in two main scenarios: (1) if a jurisdiction satisfies its above-moderate-income RHNA goals but not its lower-income RHNA goals, a 50 percent inclusionary zoning mandate applies; (2) if a jurisdiction falls short of its above-moderate-income RHNA goals, a 10 percent inclusionary zoning mandate applies.
2. A “passive house” is a building designed or retrofitted to an ultra–low energy standard, emphasizing high-grade insulation, airtight construction, and optimized ventilation with heat recovery.
3. **AB 1317** (2023) established that an owner of a qualifying residential property that provides parking should bundle the price of parking with the price of rent.
3. These units must be at least 15 years old and have been substantially rehabilitated with at least \$60,000 per unit in funds awarded from the City or County.

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About the Turner Center for Housing Innovation

The Turner Center formulates bold strategies to house families from all walks of life in vibrant, sustainable, and affordable homes and communities. Our focus is on generating constructive, practical strategies for public policy makers and innovative tools for private sector partners to achieve better results for families and communities. The Turner Center is housed within the College of Environmental Design at the University of California, Berkeley.

For more information, please visit: turnercenter.berkeley.edu