

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1021 (Wicks) – As Amended April 21, 2025

**SUBJECT:** Housing: local educational agencies.

**SUMMARY:** Makes a number of changes to AB 2295 (Bloom), Chapter 652, Statutes of 2022, which authorized a housing development project as an allowable use on any real property owned by a local educational agency (LEA), and adds these housing development projects to an existing exemption from the California Environmental Quality Act (CEQA) for specified affordable housing projects. Specifically, **this bill**:

1) Makes the following changes to AB 2295:

- a) Provides that the calculation for the number of affordable units is the “total” number of units of the development. “Total” unit is defined as excluding a unit added by a density bonus awarded pursuant to state law or any local law granting a greater density bonus and including a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county.
- b) Allows units in a housing development on LEA-owned property to be offered to employees of other LEAs, instead of employees of directly adjacent LEAs.
- c) Increases the density allowed on a housing development on LEA-owned property from the density required by Housing Element Law to accommodate housing for lower income households in that jurisdiction, to twice that amount.
- d) Deletes a requirement that the housing development be on property that is adjacent to a property that permits residential uses as a principally permitted use.
- e) Deletes a requirement that the development be located on an infill site.
- f) Changes the height limits as follows:
  - i) For a site that is either surrounded by single-family zoning or is not within one-half mile of a major transit stop, the height limit shall be the greater of the following:
    - (1) The height limit allowed on the parcel by the city or county, as applicable.
    - (2) Thirty-five feet.
  - ii) For a site that is not within a metropolitan jurisdiction, as determined pursuant to Housing Element Law, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop, the greater of the following:
    - (1) The height limit allowed on the parcel by the city or county, as applicable.

- (2) Forty-five feet.
  - iii) For a site that is within a metropolitan jurisdiction, as determined pursuant to Housing Element Law, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop, the greater of the following:
    - (1) The height limit allowed on the parcel by the city or county, as applicable.
    - (2) Sixty-five feet.
  - g) Changes the local objective zoning standards, objective subdivisions standards, and objective design review standards to those that apply for the closest zone in the city, county, or city and county that allows multifamily residential use at the residential density proposed by the project.
  - h) Provides that if no zone exists that allows the residential density proposed by the project, objective zoning standards, objective subdivisions standards, and objective design review standards shall be those for the zone that allows the greatest density within the city, county or city and county.
  - i) Provides that a local agency shall not apply any individual or combination of objective zoning standards, objective subdivision standards, and objective design review standards to the project that preclude the development from being built at the density proposed by the project.
  - j) Provides that housing developments on LEA sites are eligible for a density bonus, incentives or concessions, waivers or reductions of development standards and parking ratios under Density Bonus Law.
  - k) Changes the definition of “affordable rent” to use rent limits set by the California Tax Credit Allocation Committee, instead of rents established in the Health and Safety Code.
  - l) Adds a definition of “housing development” based on the definition in the Housing Accountability Act (HAA).
  - m) Requires a local government’s review of a housing development on a LEA site to determine if it complies with objective development standards to be consistent with the procedural requirements of the HAA.
  - n) Extends the sunset date by three years, to January 1, 2036, and extends additional dates accordingly.
- 2) Adds housing development projects on LEA property that meet the requirements of existing law and this bill to an existing CEQA exemption for specified affordable housing projects on infill sites, as long as they also meet the requirements of that exemption, except that developments would not need to be funded by low income housing tax credits (LIHTC) to qualify, nor would all of the units have to be dedicated to lower-income households.

- 3) Clarifies that the governing board of a school district may elect not to appoint a school district advisory committee if the sale, lease, or rental of excess real property is to be used for teacher or school district employee housing utilizing AB 2295.

**EXISTING LAW:**

- 1) Provides that a housing development project shall be deemed an allowable use on any property owned by a LEA if the housing development satisfies all of the following:
  - a) The housing development consists of at least 10 units.
  - b) The housing development shall have a recorded deed restriction that ensures, for a period of at least 55 years, that the majority of the units of the housing development shall be set at an affordable rent to lower income or moderate-income households. However, at least 30 percent of the units shall be affordable to lower income households.
  - c) One-hundred percent of the housing shall be rented to LEA employees, local public employees, and general members of the public pursuant the following procedures:
    - i) A LEA shall first offer the units to the agency's LEA employees.
    - ii) If the LEA receives an insufficient number of LEA employees to apply for and occupy the units, the unoccupied units may be offered to employees of directly adjacent local educational agencies.
    - iii) If the LEA receives an insufficient number of employees of directly adjacent local educational agencies to apply for and occupy the units, the unoccupied units may be offered to public employees who work for a local agency within the jurisdiction of the LEA.
    - iv) If the local agency receives an insufficient number of local public employees to apply for and occupy the units, the unoccupied units may be offered to general members of the public.
    - v) When units in the housing development become unoccupied and available for rent, a LEA shall first offer the units to the agency's LEA employees.
  - d) The residential density for the housing development as measured on the development footprint shall be the greater of the following:
    - i) The residential density allowed on the parcel by the city or county, as applicable.
    - ii) The applicable density deemed appropriate to accommodate housing for lower income households in that jurisdiction, as specified in Housing Element Law.
  - e) The height limit for the housing development shall be the height limit allowed on the parcel by the city or county or 35 feet, whichever is greater.

- f) The property is adjacent to a property that permits residential uses as a principally permitted use.
  - g) The property is located on an infill site, which means it is located in an urban area and meets either of the following criteria:
    - i) The site has not been previously developed for urban uses and both of the following apply:
      - (1) The site is immediately adjacent to parcels that are developed with qualified urban uses, or at least 75% of the perimeter of the site adjoins parcels that are developed with qualified urban uses, and the remaining 25% of the site adjoins parcels that have been previously been developed for qualified urban uses.
      - (2) No parcel within the site has been created within the past 10 years unless the parcel was created as a result of the plan of a redevelopment agency.
    - ii) The site has been previously developed for qualified for urban uses, as specified.
  - h) The housing development shall satisfy other local objective zoning standards, objective subdivision standards, and objective design review standards that do not preclude the housing development from achieving the allowable density and height. If a local agency has not adopted objective standards applicable to residential development on the parcel, the housing development shall be subject to local zoning, parking, design, and other ordinances, local code requirements, and procedures applicable to the processing and permitting of a housing development on the nearest parcel in a multifamily zone that meets or exceeds the allowable density and height.
  - i) The property is located entirely within any applicable urban limit line or urban growth boundary established by local ordinance.
  - j) The housing development complies with all infrastructure-related requirements, including impact fees that are existing or pending at the time the application is submitted, imposed by a city or county or a special district that provides service to the parcel. [Government Code (GOV) § 65914.7]
- 2) Provides that a housing development that meets the requirements of 2), above, shall be deemed consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan. (GOV § 65914.7)
  - 3) Requires the LEA to maintain ownership of a housing development that meets the requirements of 2), above, for the length of the 55-year affordability requirement contained in those provisions. (GOV § 65914.7)
  - 4) Exempts from CEQA a public agency's entitlement, lease, conveyance, purchase, financial assistance or encumbrance for an affordable housing project. It further exempts any action to facilitate those actions and exempts rezoning, specific plan amendments, or general plan amendments required for constructing of an affordable housing project. This exemption sunsets January 1, 2033. Defines "affordable housing project" as a project with 100% lower

income households and that meets specified labor provisions. (Public Resources Code § 21080.40)

- 5) Allows the governing board of a school district to not appoint a school district advisory committee in any of the following circumstances:
  - a) A lease or rental of excess real property to a private educational institution for the purposes of offering summer school in a facility of the school district.
  - b) A sale, lease, or rental of excess real property to be used for teacher or school district employee housing.
  - c) Until July 1, 2024, the sale or lease of surplus real property that has not previously operated or was not constructed to be operated as an early childhood education facility or a school for elementary and secondary instruction, as specified. (Education Code § 17391)

**FISCAL EFFECT:** This bill is keyed fiscal and contains a state-mandated local program.

**COMMENTS:**

- 1) **Author's Statement.** According to the author, "Our state's affordable housing crisis has a negative effect on so many aspects of our society – including the ability for our local education agencies (LEAs) to attract and retain qualified employees. AB 1021 addresses this issue head-on, by making it easier for LEAs to facilitate housing for their workforce on their property. The fact that 30% of this housing must be affordable to lower income households means that this bill serves the needs of those LEA employees that need the housing the most."
- 2) **Background.** SB 1413 (Leno), Chapter 732, Statutes of 2016, established the Teacher Housing Act of 2016 (the Act) to facilitate the acquisition, construction, rehabilitation, and preservation of affordable housing for teachers and school district employees. That Act authorized school districts to establish and implement programs that address the housing needs of teachers and school district employees by leveraging funding sources, including state, federal, and local public, private and nonprofit resources available to housing developers, promoting public and private partnerships, and fostering innovative financing opportunities. The Act also created a state policy supporting the use of federal and state LIHTC to fund housing for teachers and school district employees on land owned by the school district and permitted school districts to restrict occupancy to teachers and school district employees.
- 3) **Housing on School District Land.** There are more than 1,000 LEAs in California. Collectively, they own more than 150,000 acres of land. According to recent research, of land owned by LEAs, there are 7,068 properties with potentially developable land of one acre or more, totaling 75,000 acres statewide. At a modest density of 30 dwelling units per acre, such properties could contain 2.3 million units of housing – more than enough to house the state's 300,000 teachers and 350,000 other LEA employees.

Prior to 2022, LEAs who wanted to build housing for their employees faced barriers, including that the land is not zoned for housing. To build housing, a LEA would have needed to get the site rezoned by a local government, which would take time and could face community opposition.

- 4) **AB 2295 (Bloom) of 2022.** Responding to calls from school districts to help provide housing for their employees, AB 2295 deemed a housing development project an “allowable use” on any real property that an LEA owned as of January 1, 2023. The bill deemed such a project consistent with local development standards, zoning codes or maps, and the general plan, if the project satisfies all of the following:
- a) It consists of at least 10 housing units.
  - b) The majority of the units are offered at an affordable rent to lower income or moderate-income households, with at least 30 percent of the units affordable to lower income households, for at least 55 years.
  - c) Housing units are offered first to the LEA’s employees, then to employees of directly adjacent LEAs, next to local public employees within the jurisdiction of the LEA, and finally to members of the public, as specified.
  - d) The residential density for the project meets the greater of the following:
    - i) The residential density allowed on the parcel by the city or county, as applicable.
    - ii) The applicable density deemed appropriate to accommodate housing for lower income households in that jurisdiction, as specified in Housing Element Law.
  - e) The height limit for the project is the height limit allowed on the parcel by the city or county, or 35 feet, whichever is greater.
  - f) The project is adjacent to a property that permits residential uses.
  - g) The project is located on an infill site, as defined.
  - h) The project is located on property that is entirely contained within any applicable urban limit line or urban growth boundary.
  - i) The project complies with all infrastructure-related requirements, including impact fees that are existing or pending at the time the application is submitted that are imposed by a city or county or a special district that provides service to the parcel.
  - j) The project meets other local objective zoning standards, objective subdivision standards, and objective design review standards that do not preclude the housing development from achieving the residential density or the height limit permitted by the bill. If a local agency has not adopted objective standards applicable to residential development on the parcel, the project is subject to local zoning, parking, design, and other ordinances, local code requirements, and procedures applicable to the processing and permitting of a housing

development on the nearest parcel in a multifamily zone that meets or exceeds the density and height provided in the bill.

AB 2295 required the LEA to maintain ownership of a housing development that meets the requirements of the bill for the length of the 55-year affordability requirement, and allowed any land used for the development of a project under the bill to be jointly used or jointly occupied by the LEA and any other party. Any land used for housing under the bill was exempt from the requirements of the Surplus Land Act and specified provisions of law that govern disposal of school properties.

The bill contained a delayed effective date of January 1, 2024, and required, on or before January 31, 2023, the Department of Housing and Community Development to provide written notice to the planning agency of each county and city that the bill was to become effective on January 1, 2024.

AB 2295 contained a sunset date of January 1, 2033.

- 5) **CEQA Exemption.** Housing developments are generally required to go through CEQA review. The Legislature has created exemptions to CEQA for housing on infill sites with a percentage of affordable housing. Housing developments can also bypass CEQA using various streamlined, by right processes created by the Legislature if a development has a percentage of affordable housing, is not on an environmentally sensitive site, and meets specified labor standards.

AB 1449 (Alvarez), Chapter 761, Statutes of 2023 created a new CEQA exemption for 100% affordable housing projects funded by LIHTC, if 75% of the perimeter of the project site adjoins parcels that are developed with urban uses, and the project meets the labor standards required by AB 2011 (Wicks), Chapter 647, Statutes of 2022 – which means paying prevailing wage, providing health care to workers, and following enforcement requirements.

- 6) **Bill Summary.** This bill makes a number of changes to the provisions of AB 2295, including the following:
- a) Allows units to be offered to employees of *other* LEAs, instead of employees of *directly adjacent* LEAs.
  - b) Increases the allowable density to twice the original density allowed in AB 2295.
  - c) Eliminates the following locational requirements:
    - i) The housing development must be on property that is adjacent to a property that permits residential uses as a principally permitted use.
    - ii) The housing development must be located on an infill site.
  - d) Changes the height limits as follows:

- i) For a site that is either surrounded by single-family zoning or is not within one-half mile of a major transit stop, the height limit shall be the height limit allowed on the parcel by the city or county or 35 feet, whichever is greater.
  - ii) For a site that is not within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop, the height limit allowed on the parcel by the city or county or 45 feet, whichever is greater.
  - iii) For a site that is within a metropolitan jurisdiction, is not surrounded by single-family zoning, and is within one-half mile of a major transit stop, the height limit allowed on the parcel by the city or county or 65 feet, whichever is greater.
- e) Changes the local objective zoning, subdivision and design review standards to those that apply for the closest zone that allows multifamily residential use at the residential density proposed by the project. If no zone exists that allows the residential density proposed by the project, these objective standards shall be those for the zone that allows the greatest density within the county or city.
  - f) Provides that a local agency shall not apply any individual or combination of objective zoning, subdivision and design review standards that preclude the development from being built at the density proposed by the project.
  - g) Allows projects to be eligible for a density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios under Density Bonus Law.
  - h) Requires a local government's review of a housing development on a LEA site to determine if it complies with objective development standards to be consistent with the procedural requirements of the HAA.
  - i) Adds housing development projects on LEA property that meet the requirements of existing law and this bill to an existing CEQA exemption for specified affordable housing projects on infill sites, as long as they also meet the requirements of that exemption, except that developments would not need to be funded by LIHTC to qualify, nor would all of the units have to be dedicated to lower-income households.

This bill is sponsored by the California School Boards Association, UCLA cityLAB, and TRiO Plus.

7) **Policy Considerations.** The Committee may wish to consider the following:

- a) **Too Much, Too Soon?** AB 2295 contained a delayed effective date of January 1, 2024 – meaning that this law has been in place for less than two years. The Committee may wish to consider if adequate time has passed to evaluate the effects of this new law before changing it, especially given the number and extent of the of alterations this bill proposes to provisions that were carefully negotiated just three years ago.
- b) **Unintended Consequences?** This bill requires a housing development to satisfy local objective zoning, subdivision, and design review standards that apply for the closest zone that allows multifamily residential use at the residential density *proposed by* the project.



If no zone exists that allows the residential density *proposed by* the project, these standards shall be for those for the zone that allows the greatest density within the county or city. It similarly prohibits a local agency from applying any individual or combination of these standards that preclude the development from being built at the density *proposed by* the project.

While not likely, and not the intent of the author, this language could allow a developer to *propose* a project with a higher density than that specified in the bill and still enjoy the benefits of AB 2295.

- 8) **Committee Amendments.** In order to address the latter policy consideration noted above, the Committee may wish to consider amending this bill as follows:

**65914.7.** (a) (6) (A) (i) The housing development shall satisfy other local objective zoning standards, objective subdivision standards, and objective design review standards that apply for the closest zone in the city, county, or city and county that allows multifamily residential use at the residential density proposed by the project **and allowed pursuant to paragraph (4) of this section.**

(ii) If no zone exists that allows the residential density proposed by the project **and allowed pursuant to paragraph (4) of this section,** the applicable objective zoning standards, objective subdivision standards, and objective design review standards shall be those for the zone that allow the greatest density within the city, county, or city and county.

(B) Notwithstanding subparagraph (A), a local agency shall not apply any individual or combination of objective zoning standards, objective subdivision standards, and objective design review standards to the project that preclude the development from being built at the density proposed by the project **and allowed pursuant to paragraph (4) of this section.**

- 9) **Related Legislation.** AB 648 (Zbur) exempts from a city's or county's local zoning regulations the construction of faculty, staff, and student housing projects when constructed on property owned or leased by a community college district.

AB 893 (Fong) expands the Affordable Housing and High Road Jobs Act of 2022, established by AB 2011 (Wicks) of 2022, to apply to campus development zones, as defined.

- 10) **Previous Legislation.** AB 2295 (Bloom), Chapter 652, Statutes of 2022, authorized a housing development project to be an allowable use on real property owned by a LEA.

AB 780 (Ting) would have allowed a school district to render a zoning ordinance inapplicable if the proposed use of property by the school district is to offer school district employee housing. AB 780 was held in this Committee.

AB 3308 (Gabriel), Chapter 199, Statutes of 2020, expanded allowed occupancy under the Teacher Housing Act of 2016 to local public employees and other members of the public, while maintaining the right for school districts to prioritize their own employees.

SB 1413 (Leno), Chapter 732, Statutes of 2016, established the Teacher Housing Act of 2016 to facilitate the acquisition, construction, rehabilitation, and preservation of affordable housing restricted to teachers or school district employees.

- 11) **Arguments in Support.** The California School Boards Association, UCLA cityLAB, and TRiO Plus, co-sponsors of this bill, write, “(T)his this measure builds upon the progress made by AB 2295 (Chapter 652, Statute of 2022), which established a framework for local educational agencies (LEAs) to pursue workforce housing. AB 1021 enhances this foundation by expanding the number of LEA-owned sites eligible for residential development, particularly for small and rural LEAs that face unique challenges. Additionally, AB 1021 adds LEA employee housing to an existing California Environmental Quality Act exemption for infill affordable housing projects. California has already codified similar measures to help faith-based institutions and community colleges build on their land. By cutting the red tape that stands between K-12 districts and putting their surplus lands to use to meet these urgent needs, AB 1021 will help to fill this critical policy gap.

“Among the effects of California’s prolonged and intensifying housing shortage is its significant impact on the state’s educational workforce. A substantial portion of the state’s 600,000 public school educators, both teachers and staff, find themselves unable to afford housing in the communities where they are employed. This predicament forces many to endure long commutes or compels them to exit the education sector entirely. Moreover, the escalating cost of housing statewide exacerbates the difficulty of attracting new teachers, especially when the salaries for entry-level positions fall below the Area Median Income.

“The possibilities for improvement are significant. Our research suggests that there are over 7,000 California properties with potentially developable land of one acre or more, totaling 75,000 acres statewide. More than half (61%) of these properties are located in LEAs where early career teachers face housing affordability challenges. When we began this work in 2019 there were 46 interested LEAs. Today, over 175 are pursuing education workforce housing projects, but due to the barriers addressed by AB 1021, only a handful of housing projects have been built. Moreover, these projects took between five and seven years to develop.

“AB 1021 makes targeted policy reforms to ensure that the LEAs struggling to provide infill housing for educators and students can succeed—and the completed projects to date prove they will indeed make a difference. Addressing the issue of housing affordability takes on particular importance when viewed through an equity lens. More than one-third of all public school employees who rent are housing-cost burdened, which disproportionately impacts students of color. Thus, these disparities have negative implications for addressing equity gaps among student outcomes, given evidence that students of color, and especially Black and Latino students, are impacted disproportionately by the lack of access to credentialed and highly qualified teachers.

“By easing administrative and bureaucratic hurdles and allowing rural LEAs to better participate in workforce housing production, AB 1021 will help school districts and county offices of education put their surplus land to work, creating workforce housing to meet the needs of their students. It will help the state take one step closer to a California where education staff are empowered to thrive in the communities they serve, ensuring a bright future for all students in California.”

12) **Arguments in Opposition.** None on file.

13) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 8-1 vote on April 9, 2025.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California School Boards Association [CO-SPONSOR]

TRiO Plus [CO-SPONSOR]

UCLA cityLAB [CO-SPONSOR]

Black Educator Advocates Network

California Apartment Association

California School Employees Association

California State Association of Counties

California Yimby

End Poverty in California

Greenbelt Alliance

Kingmakers of Oakland

LeadingAge California

Los Angeles Unified School District

Mendocino County Office of Education

Oakland Fund for Public Innovation (OFPI)

Watts of Power Foundation

**Opposition**

None on file

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