

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 262 (Wahab) – As Amended July 7, 2025

SENATE VOTE: 24-13

SUBJECT: Housing element: prohousing designations: prohousing local policies

SUMMARY: Makes changes to the prohousing designation program (PDP). Specifically, **this bill:**

- 1) Amends the definition of “prohousing local policies” in the PDP to also include policies that keep people housed.
- 2) Adds the following to the list of “prohousing local policies” that the Department of Housing and Community Development (HCD) may consider when designating a jurisdiction as prohousing under the PDP:
 - a) A safe parking program that provides parking locations and options for individuals and families living in their vehicles that does all of the following:
 - i) Provides a bathroom facility and onsite security.
 - ii) Establishes an application or enrollment process for the program that may include a background check requirement.
 - iii) Establishes rules and regulations for the program.
 - b) A safe camping program that provides safe camping locations and options for individuals and families experiencing unsheltered homelessness.
 - c) Adoption of ordinances, processes, or other mechanisms that expedite, or remove barriers to, the approval of any of the following:
 - i) Low-barrier navigation centers (LBNC) beyond the requirements in existing law governing LBNC.
 - ii) Emergency shelters beyond the requirements in Housing Element Law.
 - iii) Supportive housing beyond existing law governing supportive housing.
- 3) Provides that any additional points or preference awarded for a prohousing local policy described in 2) above shall not exceed the minimum value of points or preferences awarded for a prohousing local policy that directly relates to the planning, approval, or construction of housing.

EXISTING LAW:

- 1) Requires HCD to establish a prohousing designation for local jurisdictions. (Government Code (GOV) Section 65589.9)
- 2) Defines “prohousing local policies” to mean policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:
 - a) Establishment of local financial incentives for housing, including, but not limited to, establishing a local housing trust fund;
 - b) Adoption of zoning allowing for use by right for residential and mixed-use development;
 - c) Adoption of zoning that allows for more residential development than is required to accommodate the minimum existing regional housing need allocation for the current housing element cycle;
 - d) Reduction of permit processing time;
 - e) Creation of objective development standards;
 - f) Reduction of development impact fees;
 - g) Preservation of affordable units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available housing units; and
 - h) Facilitation of the conversion or redevelopment of commercial properties into housing. (GOV §65589.9(f)(3))
- 3) Requires HCD to adopt emergency regulations to implement the PDP. (GOV §65589.9(c))
- 4) Requires jurisdictions that have been designated prohousing by HCD, and that have an adopted housing element that has been found by HCD to be in substantial compliance, to be awarded additional points or preference in the scoring for the following program applications:
 - a) The additional points must be awarded for the following programs:
 - i) The Affordable Housing and Sustainable Communities Program;
 - ii) The Transformative Climate Communities Program;
 - iii) Specified portions of the Infill Incentive Grant Program of 2007 and the Infill Infrastructure Grant program of 2019; and
 - b) Allows additional points and preferences to be awarded to other state programs when already allowable under state law. (GOV §65589.9(b))

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

- 1) **Bill Summary.** This bill changes the definition of “prohousing local policies” to include policies to keep people housed, and specifies that these policies may include establishing safe parking programs, safe camping program, emergency shelters, and adopting ordinances or processes to expedite LBNCs, emergency shelters, and supportive housing. The bill also specifies that any additional points or preferences awarded for a prohousing local policy pursuant to this bill shall not exceed the minimum value of points or preferences awarded for a prohousing local policy that directly relates to the planning, approval, or construction of housing.

This bill is author sponsored.

- 2) **Author’s Statement.** According to the author, “In order to properly address the housing crisis, we must not only address development but also stabilize residents in the housing they currently live-in. While the current Enhancement Factors includes points for policies that reduce displacement, specifying these three programs will augment the applications of jurisdictions already making efforts to reduce displacement and encourage other jurisdictions to examine these programs. In 2023, SafeParking LA achieved a 34% placement rate for participants who exited the program. Prohousing should not solely be about building more units, but should also include stabilizing residents in their communities.”
- 3) **Prohousing Designation for Locals.** In 2019, the Legislature enacted AB 101 (Committee on Budget), Chapter 26, Statutes of 2019, that required HCD to designate cities and counties as prohousing if their local policies facilitate the planning, approval, or construction of housing. Prohousing jurisdictions receive a competitive advantage in applying for certain state programs, including the Affordable Housing and Sustainable Communities Program, Transformative Climate Communities Program, and portions of the Infill Incentive Grant Program.

Although AB 101 provided examples of prohousing local policies, HCD had discretion over the final designation criteria, which they adopted via emergency regulations in July 2021 and subsequently converted to permanent regulations in April 2022 (California Code of Regulations, Title 25, Sections 6600-6608).

- 4) **Previous Legislation.** AB 529 (Gabriel), Chapter 743, Statutes of 2023, added adaptive reuse ordinances to the list of prohousing local policies HCD may consider under the PDP, among other changes.

AB 1029 (Mullin), Chapter 353, Statutes of 2021, added the preservation of affordable housing units to avoid the displacement of affected tenants to the list of prohousing local policies HCD may consider under the PDP.

AB 101 (Committee on Budget), Chapter 26, Statutes of 2019, required HCD to

designate cities and counties as prohousing if their local policies facilitate the planning, approval, or construction of housing.

- 5) **Arguments in Support.** The California State Association of Counties writes in support, “We commend you for recognizing that addressing California’s housing crisis requires not only the construction of new housing but also the stabilization of individuals and families currently experiencing housing insecurity. By acknowledging the importance of supportive services and emergency shelter options, SB 262 promotes a more holistic and humane approach to housing policy.

“This bill provides local jurisdictions with meaningful tools and incentives to reduce displacement and support vulnerable populations, while maintaining a strong focus on housing development. We believe this balanced approach will encourage more communities to adopt innovative, compassionate, and effective housing solutions.”

- 6) **Arguments in Opposition.** None on file.

- 7) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 10-2 vote on July 2, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Aids Healthcare Foundation
California State Association of Counties
City of Foster City
City of San Jose
East Bay Housing Organizations
NASW California
New Livable California DbA Livable California
Public Advocates
Western Center on Law & Poverty

Opposition

None on file.

Analysis Prepared by: Linda Rios / L. GOV. / (916) 319-3958