Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Juan Carrillo, Chair
SB 677 (Wiener) – As Amended June 24, 2026

SENATE VOTE: 24-10

SUBJECT: Land use: housing development approvals: tax-exempt private activity bonds: subdivisions: tentative and final maps: appeals

SUMMARY: Makes a local agency's failure to take certain actions for housing development projects that include the issuance of tax-exempt private activity bonds (PABs) a disapproval of a housing development project under the violation of the Housing Accountability Act (HAA), and prohibits the appeal of subdivisions for housing development projects pursuant to the Subdivision Map Act (SMA) or a local subdivision ordinance, as specified. Specifically, **this bill**:

1) Makes a local agency's failure to take any of the following actions related to a housing development project that includes the issuance of tax-exempt PABs, as required by federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) regulations as specified, a disapproval of the housing development project under the HAA:

   a) Holding a public hearing.

   b) Providing the approval of the applicable elected representative of the governmental unit.

   c) Taking any other action required by TEFRA regulations to facilitate the issuance of the PABs for the project.

2) Provides that 1) shall not require a local agency to take any action that would result in it incurring any financial liability, debt, or obligation.

3) Prohibits an interested person from filing an appeal pursuant to the SMA's specified parcel, tentative, or final map provisions, or pursuant to a local subdivision ordinance, if all of the following conditions are met:

   a) The decision of the advisory agency, appeal board, or designated official relates to a map that is part of a housing development project, as specified.

   b) The project is located entirely within either of the following:

      i) An incorporated city, the boundaries of which include some portion of an urban area.

      ii) An urban area in a county with a population greater than 250,000 based on the most recent United State Census Bureau data.

   c) The project is infill housing, meaning it meets any of the following criteria:

      i) It has previously been developed with an urban use.

ii) At least 75% of the perimeter of the site adjoins parcels developed with urban uses.

iii) At least 75% of the area within a one-quarter mile radius of the site is developed with urban uses.

iv) For sites with four sides, at least three out of four sides are developed with urban uses and at least 2/3 of the perimeter of the site adjoins parcels developed with urban uses.

d) The project is not located on a site that is any of the following:

i) An area of the coastal zone where actions taken by a local government on coastal development permits are subject to appeal.

ii) An area of the coastal zone that is not subject to a certified local coastal program or certified land use plan.

iii) An area of the coastal zone that is vulnerable to five feet of sea level rise as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment.

iv) A parcel in the coastal zone that is located on, or within a 100-foot radius of, a wetland or on prime agricultural land, as specified.

v) Prime farmland or farmland of statewide importance, or land zoned or designated for agricultural protection or preservation by local ballot measure, as specified.

vi) Wetlands, as specified.

vii) A very high fire hazard severity zone or state responsibility area, unless the applicable fire hazard mitigation standards apply, as specified.

viii) A delineated earthquake fault zone, unless the development complies with applicable seismic protection building code standards, as specified.

ix) A regulatory floodway, unless the development has received a no-rise certification, as specified.

x) Lands under conservation easement.

e) Any parcels proposed to be created by the map will be served by a public water system and a municipal sewer system.

4) Provides that 3) shall not apply to an appeal filed by either of the following:

a) An applicant, subdivider, tenant in the case of residential conversion projects, or advisory agency otherwise authorized to file an appeal under applicable law.

b) A public agency or a public official acting within the course and scope of their employment.

5) Makes technical and conforming changes.

6) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill, within the meaning of Section 17556 of the Government Code.

EXISTING LAW:

1) Provides, pursuant to the HAA, that a local government may only disapprove of a housing development project under specified circumstances. Specifically, among other provisions, the HAA:

   a) Prohibits a local agency, from disapproving a housing development project containing units affordable to very low-, low- or moderate-income households (herein after "housing development projects that contain affordable units"), or conditioning the approval in a manner that renders the housing development project infeasible, unless it makes one of the following findings, based upon substantial evidence in the record:

      i) The jurisdiction has adopted a housing element in substantial compliance with the law, and the jurisdiction has met its share of the regional housing need for that income category.

      ii) The project will have a specific, adverse impact on public health or safety, and there is no feasible method to mitigate or avoid the impact without rendering the housing development unaffordable to very low-, low- or moderate-income households.

      iii) The denial or imposition of conditions is required to comply with state or federal law.

      iv) The project is located on agricultural or resource preservation land that does not have adequate water or wastewater facilities.

      v) The jurisdiction had adopted a revised housing element that was in substantial compliance with this article, and the housing development project or emergency shelter was inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan, as specified.

      vi) The jurisdiction does not have an adopted revised housing element that was in substantial compliance with the law, and the housing development project is not a "builder's remedy" project. [Government Code (GOV) §65589.5]

   b) Defines "disapprove the housing development project" as any instance in which a local agency does any of the following:

      i) Votes on a proposed housing development project application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building project.

      ii) Fails to comply with specified timelines for approving or disapproving development projects.

iii) Fails to cease a course of conduct undertaken for an improper purpose, such as to harass or to cause unnecessary delay or needless increases in the cost of the proposed housing development project, that effectively disapproves the proposed housing development without taking final administrative action, as specified.

iv) Fails to comply with requirements in the Housing Crisis Act that prohibit holding more than five public hearings on an application that is deemed complete, as specified.

v) Determines that an application is incomplete and request items that an applicant submit items that were not originally required to complete the application, as specified.

vi) Seeks to impose conditions on a builder's remedy project that are prohibited, as specified.

vii) Unlawfully determines that a project's vesting under a preliminary application submitted to the jurisdiction has expired.

viii) Fails to make a determination of whether a project is exempt from the California Environmental Quality Act, or commits an abuse of discretion, as specified. (GOV §65589.5)

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

COMMENTS:

1) **Bill Summary.** This bill would make the failure of a local agency to do any of the following actions required by TEFRA regulations for projects that include tax-exempt PABs a disapproval of a housing development project under the HAA:

   a) Holding a required public hearing.

   b) Providing the approval of the applicable elected representative of the governmental unit.

   c) Taking any other action required by TEFRA regulations to facilitate the issuance of tax-exempt PABs for the housing development project.

   This bill specifies that these provisions do not require a local agency to take any action that would result in the agency incurring financial liability, debt, or obligation.

   In its provision related to the SMA, this bill also prohibits most third-party appeals to the local legislative body of tentative map, final map, parcel map, and related subdivision decisions for qualifying infill housing projects. Qualifying infill housing projects are housing projects that are in urban areas, meet specified infill criteria, serviced by public water and sewer systems, and is not located on land that have been identified as:

   a) environmentally sensitive,

   b) prime farmland,

c) a wetland,

d) in the coastal zone under specified conditions,

e) a very high fire hazard severity zone or a state responsibility area,

f) within an earthquake fault zone, or

g) land under a conservation easement.

The bill also provides that bill will not apply to an appeal filed by either of the following:

a) An applicant, subdivider, tenant in the case of residential conversion projects, or advisory agency otherwise authorized to file an appeal under applicable law.

b) A public agency or a public official acting within the course and scope of their employment.

This bill is sponsored by California YIMBY, Housing Action Coalition, California Council for Affordable Housing, and Mission Housing Development Corporation.

2) **Author's Statement.** 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 delays in approval of tax-exempt financing, ensuring that the state continues accelerating housing production."

3) **Background.** The California Constitution allows 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." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

   Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations. Zoning ordinances and other development decisions must be consistent with the city or county's general plan.

4) **TEFRA Hearings and PABs.** Federal law requires tax-exempt PABs to receive public approval before they may be issued. Commonly referred to as TEFRA approval, this process generally requires a public hearing following reasonable public notice and approval by an applicable elected representative. For affordable multifamily housing developments, tax-

exempt PABs are a commonly used financing tool and are frequently paired with federal 4% low-income housing tax credits (LIHTC).

Because tax-exempt PABs 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 (HAU) 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.

5) **Housing Accountability Act.** In 1982, in response to the housing crisis, which was viewed as threatening the economic, environmental, and social quality of life in California, the Legislature enacted the HAA. The purpose of the HAA is to help ensure that a city does not reject or make infeasible housing development projects that contribute to meeting the housing need determined pursuant to Housing Element Law without a thorough analysis of the economic, social, and environmental effects of the action and without complying with the HAA. The HAA restricts a city's ability to disapprove, or require density reductions in, certain types of residential development proposals, including mixed-use projects. The HAA does not preclude a locality from imposing developer fees necessary to provide public services or from requiring a housing development project to comply with objective standards, conditions, and policies appropriate to the locality's share of the regional housing needs assessment.

   If a locality denies approval or imposes conditions that have a substantial adverse effect on the viability or affordability of a housing development for very low-, low, or moderate-income households, and the denial or imposition of conditions is subject to a court challenge, the burden is on the local government to show that its decision is consistent with specified written findings. HCD has enforcement authority over the HAA, and HAA violations may be referred to the Attorney General.

6) **Subdivision Map Act.** The SMA governs how local officials regulate the division of real property into smaller parcels for sale, lease, or financing. Cities and counties adopt local subdivision ordinances to carry out the SMA and local requirements. City councils and county boards of supervisors use the SMA to control a subdivision's design and improvements. Local subdivision approvals must be consistent with city and county general plans.

   Under the SMA, cities and counties can attach scores of conditions. The SMA allows local officials to require, as a condition of approving a proposed subdivision, the dedication of property within a subdivision for streets, alleys, drainage, utility easements, and other public easements and improvements. Once subdividers comply with those conditions, local officials must issue final maps. For smaller subdivisions that create four or fewer parcels, local officials usually use parcel maps, but they can require tentative parcel maps followed by final parcel maps. The SMA also constrains the dedications and improvements that local cities and counties can require as a condition of a subdivision of four or fewer lots to only the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created.

The SMA exempts a subdivision creating five or more parcels from the requirement to obtain a tentative and final map if any of the following apply:

a) Each parcel created is over 40 acres in size.

b) Each parcel created is 20 or more acres and has approved access to a maintained public street or highway.

c) The land before division contains less than five acres, each parcel created by the division abuts upon a maintained public street or highway, and no dedications or improvements are required by the legislative body.

d) The land before division consists of a parcel or parcels of land zoned for industrial or commercial development that have approved access to a road.

e) The subdivision is solely for the creation of habitat, as specified.

Housing developments that include individually owned units, such as condominiums, townhomes, or subdivisions of detached single-family homes, require a subdivision map so that the individual units or lots may be sold separately. Rental housing developments typically do not require a subdivision map because the project remains under single ownership. However, affordable housing and multifamily rental developments may still seek subdivision approvals for financing, ownership, tax credit, operational, or asset management purposes. As a result, rental projects that are otherwise entitled and ready to proceed may remain subject to the SMA process.

7) **Committee Amendments.** Due to timing, the author has requested the following be taken as committee amendments:

Delete the contents of Section 1 of the bill and add section 6505.7 of the Government Code to do the following:

GOV 6505.7

(a) For purposes of subdivision (f) of Section 147 of Title 26 the United States Code, as amended, the Treasurer of the State of California is designated as an applicable elected representative of a joint powers agency created pursuant to this chapter. In the discretion of the joint powers agency, such Treasurer is authorized to approve the issuance of bonds, notes, or other evidence of indebtedness, issued by or on behalf of that joint powers agency, to the extent this approval is required by federal

tax law, including but not limited to providing issuer approval, host approval, or both, under subdivision (f) of Section 147 of Title 26 the United States Code and Section 1.147(f)-1 of Title 26 of the Code of Federal Regulations.

(b) The geographic jurisdiction of a joint powers agency created pursuant to this chapter is the area encompassed by the combined geographical boundaries of its member public agencies.

(c) (1) Notwithstanding any other law or any other provision of this chapter, the Treasurer may, on behalf of the State of California, execute a joint exercise of powers agreement and cause the State to become a member of an agency formed pursuant to this chapter without approval otherwise required under Section 6501. The Treasurer may, on behalf of the State, provide any approval, consent, or other action required or permitted under that agreement; provided, however, that any such approval, consent, or action shall be limited exclusively to financings consisting of the issuance of bonds, including (but not limited to) tax exempt private activity bonds and tax exempt obligations the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code, to finance qualified residential rental projects or other affordable multifamily rental housing, including tax exempt multifamily housing revenue bonds issued pursuant Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code. For purposes of Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code, including, without limitation, Chapter 7 (commencing with Section 52075) of that Part, "city," "county," and "city and county" shall be deemed to include the State when the State is a member of an agency formed pursuant to this chapter and the Treasurer, on behalf of the State, provides the applicable approval, consent, or other action with respect to the issuance of such bonds. Any such approval, consent, or other action by the Treasurer shall constitute the approval or other action of the city, county, or city and county required under that Part.

(2) This subdivision does not limit any of the following:

(A) The authority of the State of California or any officer or agency thereof to enter into a joint exercise of powers agreement or cause the State to become a member of an agency formed pursuant to this chapter under any other provision of law.

(B) The authority of a joint powers agency of which the Treasurer or State is not a member to issue bonds or other obligations.

(C) The authority of the Treasurer under subdivision (a) to approve or certify the issuance of bonds, notes, or other evidence of indebtedness, issued by or on behalf of a joint powers agency of which the Treasurer is not a member.

(d) ***This section is declaratory of existing law.***

Amend Section 6519 of the Government Code:

6519. *Notwithstanding any other provision of law, the State of California does hereby pledge to, and agree with, the holders of bonds issued by any agency or entity created by* *a joint exercise of powers agreement by and among two or more cities, counties, or cities and counties, that the state will not change the composition of the issuing agency or entity unless such change in composition is authorized by a majority vote of the legislative body of each such city, county, or city and county, or by a majority vote of the qualified electors of each such city, county, or city and county.*

*"Change in composition," as used in this section, means the addition of any public agency or person to any agency or entity created by a joint exercise of powers agreement pursuant to this chapter, the deletion of any public agency from any such joint powers agency or entity, or the addition to, or deletion from, the governing body of any such joint powers agency, or entity of any public official of any member public agency or other public agency, or any other person~~.~~**; provided, however, that the State becoming a member of an existing joint powers authority shall not, in and of itself, constitute a "change in composition."***

Repeal 6547.9 of the Government Code.

8) **Related Legislation.** AB 1834 (Patel) exempts specified land zoned for mixed-use development from the requirement to have a tentative and final map for subdivisions of five or more parcels. This bill was enrolled on June 24, 2026.

   AB 2601 (Lee) makes several changes to the permitting and subdivision processes for small-scale and missing middle housing developments, which amongst other provisions includes establishing concurrent processing of ministerial housing development and building permit application with an application for parcel map or tentative and final map. This bill is pending in the Senate Local Government Committee.

9) **Previous Legislation.** SB 1114 (Haney), Chapter 753, Statutes of 2023, prohibited a city or county from subjecting the post-entitlement phase permit to any appeals or additional hearing requirements once a local agency determines a post-entitlement permit is compliant with applicable permit standards among other provisions.

10) **Arguments in Support.** California Council for Affordable Housing, California YIMBY, Housing Action Coalition, and the Mission Housing Development Corporation, the co-sponsors of the bill, write in support, "California is enduring an acute housing shortage and affordability crisis. While the state has enacted a range of streamlined approval processes and timelines to approve, finance, and build housing, significant loopholes remain. Project opponents can file frivolous parcel map appeals – even against projects that are otherwise fully streamlined – causing costly and unpredictable delays. Separately, local governments can withhold TEFRA approvals required under federal law for tax-exempt private activity bond financing, causing critical affordable housing financing to fall through entirely.

    "These delays fall hardest on affordable housing developers. Affordable projects are often structured around multiple, time-sensitive funding streams – including tax-exempt bonds, Low Income Housing Tax Credits, and competitive grants. Even a short delay caused by a frivolous map appeal can force a project to miss critical financing deadlines, lose grant funds, or wait for an entirely new funding cycle. Failure to obtain TEFRA approvals can cause bond financing to collapse altogether, threatening projects that serve the lowest-income Californians.

"SB 677 addresses both of these barriers. The bill prohibits tentative map, final map, and parcel map appeals for maps related to housing development projects in specified urban infill areas, closing the loophole that allows project opponents to weaponize the map appeal process against otherwise-qualifying housing. The bill further provides that a local agency's failure to provide approvals required by federal law – including TEFRA approvals – constitutes a housing disapproval under the Housing Accountability Act, creating meaningful accountability for local inaction."

11) **Arguments in Opposition.** Equitable Land Use Alliance writes in opposition to the bill, "The current SB-677 bill expands the definition of 'disapproval' with regard to a tax-exempt private activity bond and assumes that local agencies are purposefully trying to stall the process of issuing bonds used by developers for building affordable units. Instead, legitimate reasons are being ignored (ie: delay in Federal funding or local zoning challenges).

"As this bill modifies the Housing and Accountability Act (HAA), we are concerned that legitimate delays could inadvertently trigger unnecessary lawsuits.

"In addition, SB 677 creates an exception to the Subdivision Map Act, limiting third-party appeals, or in essence appeals by the public to challenge property division maps. This removes legitimate democratic rights especially when a development project is too large as to threaten fire evacuation routes in Extremely High Fire Hazard Severity Zones as per CalFire. Many local jurisdictions already feel threatened to approve projects and reject their own fire evacuation plans such as the issue with the South Harmony Grove project which threatens to essentially double the population in a small northern San Diego community that currently has a one route egress. The public should retain their ability to challenge a decision made by the local jurisdiction to allow fairness to protect their homes in such cases."

12) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 11-0 vote on June 24, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

California Council for Affordable Housing -*Co-Sponsor*
California YIMBY-*Co-Sponsor*
Housing Action Coalition -*Co-Sponsor*
Mission Housing Development Corporation -*Co-Sponsor*
Abundant Housing Los Angeles
California Apartment Association
Casita Coalition
Chamber of Progress
Circulate Planning & Policy
East Bay Leadership Council
East Bay Yimby
Elevate California
Everybody's Long Beach
Fieldstead and Company, INC.
Grow the Richmond
Housing Trust Silicon Valley

Inner City Law Center
Lisc San Diego
Monterey Bay Economic Partnership
Mountain View Yimby
Napa-solano for Everyone
Neighborhood Partnership Housing Services, INC.
New Way Homes
North Bay Leadership Council
Northern Neighbors
Peninsula for Everyone
Powerca Action
San Francisco Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
Sloco Yimby
South Bay Forward
South Bay Yimby
Southern California Black Chamber of Commerce
Southern California Obtainable Housing
Spur
Student Homes Coalition
The Two Hundred for Homeownership
Unidosus
Valley Industry and Commerce Association (VICA)
Ventura County Yimby
Visionary Home Builders
Yes! in Redwood City
Yimby Action
Yimby Los Angeles
Yimby Monterey Peninsula

Opposition

California Cities for Local Control
Equitable Land Use Alliance (ELUA)
Families and Homes San Jose – *Unless Amended*
Neighbors for a Better San Diego
Save Lafayette
United Neighbors – *Unless Amened*
Wake Up California

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