SENATE BILL SB-25

Introduced by Senator Aisha Wahab (D-10)

An act relating to Housing: affordability and production grants..

LEGISLATIVE COUNSEL'S DIGEST

SB-25, Aisha Wahab (D-10). Housing: affordability and production grants..

Existing law requires cities and counties to plan for housing through their local housing elements and establishes state requirements concerning the planning and development of housing. The existing law also provides various programs administered by the Department of Housing and Community Development to support the development and preservation of affordable housing.

This bill would establish the Housing Affordability and Production Grant Program within the Department of Housing and Community Development. The program would provide grants to cities and counties that adopt local procedures intended to reduce unnecessary delays in the approval of qualifying housing developments.

The bill would require a participating city or county to establish clear permitting timelines, publish housing development requirements and fees online, and provide a designated point of contact for qualifying housing applications. To qualify for the program, a participating jurisdiction would also be required to demonstrate that qualifying developments include housing affordable to low- or moderate-income households.

The bill would appropriate $30,000,000 from the General Fund to the Department of Housing and Community Development for competitive grants to participating cities and counties.

Vote: Majority. **Appropriations/fiscal:** yes. **Local program:** no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following::

a) California faces a significant shortage of housing that contributes to high housing costs for renters and prospective homeowners.

(b) Communities throughout California benefit when housing development is predictable, transparent, and responsive to local housing needs.

(c) Reducing unnecessary administrative delays can lower development costs and allow housing to be constructed more efficiently.

(d) The state should encourage the production of housing while maintaining requirements intended to promote affordability and responsible development.

SEC. 2. The Housing Affordability and Production Grant Program is hereby established within the Department of Housing and Community Development.

(a) The department shall administer the program and award grants to eligible cities and counties.

(b) A city or county shall be eligible for a grant if it adopts procedures that satisfy all of the following requirements:

(1) Establishes publicly available processing timelines for qualifying housing development applications.

(2) Publishes applicable housing development standards, fees, and application requirements on its internet website.

(3) Establishes a designated point of contact for applicants seeking approval of qualifying housing developments.

(4) Provides applicants with written notice identifying incomplete application materials within a reasonable period established by the department.

(5) Demonstrates that the jurisdiction is taking measurable steps to facilitate the development of housing consistent with its adopted housing plan.

SEC. 3.

(a) For purposes of this act, “qualifying housing development” means a residential development project that satisfies the standards established by the Department of Housing and Community Development and is consistent with applicable state and local housing requirements.

(b) In awarding grants, the department shall prioritize jurisdictions that demonstrate all of the following:

(1) Significant housing affordability challenges.

(2) A shortage of housing relative to identified regional or local housing needs.

(3) A commitment to increasing the production of housing affordable to low- and moderate-income households.

SEC. 4.

(a) A city or county receiving a grant pursuant to this act shall use the funds for activities that improve the efficiency and transparency of its housing approval process.

(b) Eligible activities may include all of the following:

(1) Updating permitting systems and online application systems.

(2) Training local planning and permitting staff.

(3) Improving public access to housing development requirements and fees.

(4) Establishing systems to track the status of housing development applications.

(5) Other activities approved by the department that directly improve the timely processing of qualifying housing developments.

SEC. 5.

(a) The sum of thirty million dollars ($30,000,000) is hereby appropriated from the General Fund to the Department of

Housing and Community Development for purposes of implementing this act.

(b) The department may use no more than 5 percent of the amount appropriated pursuant to subdivision (a) for program administration, technical assistance, and evaluation.

(c) The remaining funds shall be distributed as grants to eligible cities and counties.

SEC. 6.

(a) The Department of Housing and Community Development shall establish program guidelines no later than July 1, 2026.

(b) The department shall begin accepting grant applications no later than January 1, 2027.

SEC. 7.

Nothing in this act shall be construed to exempt a housing development from applicable health, safety, environmental, building, or housing requirements established by state law.

SEC. 8.

The Department of Housing and Community Development shall submit a report to the Legislature by January 1, 2029, describing the number of jurisdictions receiving grants, the amount of funding distributed, and the activities funded pursuant to this act.