Summary of Key Housing Bills for the 2026 Legislative Session

October 2026

SANDAG has prepared this summary of key housing-related bills from the 2026 legislative session that were passed and signed by the Governor. Legislation is organized into the following categories:

- SB-79 Related Legislation
- Streamlined Approval
- Density Bonus Law (DBL)
- Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)
- Housing Accountability Act and Streamlined Ministerial Approval Process (SMAP)
- Housing Elements and Annual Progress Reports
- Improvements and Impacts Fees
- Funding
- RHNA Process and Sustainable Communities Strategies
- Factory-Built Housing
- Environmental Justice Elements

SB 79-Related Legislation

Senate Bill (SB) 79 (Gov. Code §§ 65912.155 through 65912.162) establishes minimum density and development standards near transit for qualifying projects. It was passed in 2025 and took effect on July 1, 2026. The California Department of Housing and Community Development (HCD) published **SB 79 Advisory Clarifications on Definitions for Metropolitan Planning Organizations on the Implementation of Senate Bill 79 (Chapter 512, Statutes of 2025)** on March 20, 2026. HCD continues to provide updates through its **SB 79 Transit-Oriented Development webpage**.

SB 722 (Wahab and Wiener)

Status: Passed and Signed

Exempts sites that are governed under the Mobilehome Residency Law, the Recreational Vehicle Park Occupancy Law, the Mobilehome Parks Act, or the Special Occupancy Parks Act from SB 79. Urgency statute, effective immediately upon Governor's signature on July 16, 2026.

SB 1361 (Durazo)

Status: Passed and Signed

Prohibits local governments with existing or planned TOD stops from taking actions to avoid SB 79, including requesting that a transit agency reduce service, remove a transit stop, remove a dedicated transit lane, or conditioning or withholding approval of, or withdrawing support for funding of a transit project based on the additional height or density SB 79 allows.

AB 2576 (Harabedian)

Status: Passed and Signed

Expands the types of historic resources that can be temporarily excluded from SB 79 through an ordinance to include a contributing site within a historic district listed in the State Historic Resources Inventory and parcels individually listed in the State Historic Resources Inventory, if the historic resource was designated before January 1, 2025. Sites on a local register can still be temporarily excluded through an ordinance.

Streamlined Approval

AB 1751 (Quirk-Silva and Wicks)

Status: Passed and Signed

The “Missing Middle Townhome Ownership Act” creates a ministerial approval and streamlined subdivision pathway for for-sale townhome projects of up to 150 units on multifamily or underutilized single-family sites. Adds Gov. Code § 65852.30, which requires ministerial approval for “townhome development projects” that meet size and density requirements and, if 11 or more units, include 10 percent of units for lower income households. Adds Chapter 9 of the Subdivision Map Act (Gov. Code §§ 66499.45–66499.47), requiring ministerial tentative and final maps for qualifying townhome projects, with parcels as small as 600 square feet. Eligible projects must have an average unit size of no more than 1,750 square feet, may include up to 150 units, and must achieve at least 75 percent of the applicable Housing Element default density [Gov. Code §65583.2(c)(3)]. Townhomes are defined as a single-family dwelling up to 3 stories that shares a wall with another single-family dwelling on one or two sides, or is separated by no more than the minimum fire separation requirements. Projects with 11 or more units must provide at least 10 percent of units as lower-income housing for 45 years, unless a stronger local inclusionary requirement applies. Sites must be zoned to allow multifamily or be underutilized and zoned exclusively for single-family; must not be located on a site eligible for SB 79 (Gov. Code § 65912.157), a mobilehome or recreational vehicle park, or a historic resource or contributing structure in a historic district; and, must be within an urban area, or if outside of an urban area, must be an infill site. Projects must conduct tribal consultation pursuant to Public Resources Code § 21080.66. An ordinance to implement this law is exempt from CEQA.

AB 2074 (Haney)

Status: Passed and Signed

Requires cities with a population of at least 400,000 and at least two SB 79 transit-oriented development stops to designate at least one regional transit hub district by July 1, 2027. If a city does not designate a regional transit hub, an area around its highest-ridership TOD stop is deemed a district. These districts must allow “downtown housing development” under specified height, FAR, and density standards. Qualifying projects with at least 60 units per acre, affordable housing, and required labor and site standards are eligible for streamlined ministerial approval.

AB 2118 (Hoover)

Status: Passed and Signed

Prohibits objective standards from restricting mixed-use development as part of projects

that are eligible as Mixed-Income Housing Developments Along Commercial Corridors pursuant to Gov. Code § 65912.123 (Affordable Housing and High Road Jobs Act of 2022, AB 2011).

AB 2601 (Lee)

Status: Passed and Signed

Makes applications for SB 9 two-unit projects eligible for concurrent ministerial processing with the associated urban lot split parcel map under Gov. Code § 65852.21 and § 66411.7 (SB 9), as well as for small home lot development with subdivision map approval for projects under Gov. Code § 65852.28 and §§ 66499.40 – 66499.41 (Starter Home Revitalization Act of 2021, SB 684/1123). It does not expand the underlying eligibility or increase density, and preserves existing sequencing requirements by authorizing local agencies to condition the issuance of building permits, grading permits, or certificates of occupancy on the prior approval and recordation of the applicable parcel map or final map. Also clarifies that a parcel map for an urban lot split may include a condominium plan if proposed by the subdivider.

SB 1116 (Caballero)

Status: Passed and Signed

Expands the ministerial approval process for housing on subdivided lots under Gov. Code § 65852.28 and §§ 66499.40 – 66499.41 (Starter Home Revitalization Act of 2021, SB 684/1123) by modifying density requirements and limiting local standards that constrain density (e.g., height limits must be measured by physical height rather than number of floors, specified front and interior setbacks are prohibited). Allows newly created parcel on multifamily-zoned lots as small as 480 or 960 square feet under specified conditions. Removes requirement for multifamily lots to be smaller than 5 acres. The changes apply to applications submitted on or after January 1, 2027, with new annual reporting (including on surplus land dispositions) beginning with the APR due April 1, 2028.

Density Bonus Law (DBL)

AB 939 (Schultz)

Status: Passed and Signed

Allows qualifying nonprofit corporations to purchase for-sale units developed under DBL as an alternative to the existing 180-day sales period after the issuance of a certificate of occupancy, so long as the nonprofit sells the units to low, very low, or lower income households.

AB 2433 (Alvarez)

Status: Passed and Signed

Requires a local jurisdiction, upon deeming a density bonus application complete, to provide the applicant a determination that the project is eligible for density bonus and the amount of the bonus; and, if requested, the applicable parking ratio. It also specifies that the granting of a density bonus, incentive or concession, and waiver or reduction of development standards is not discretionary, and does not require a general plan amendment, zoning change, or CEQA review; allows an applicant that submits a base density study to choose to receive the density bonus as a percentage increase in maximum

floor area ratio (FAR); allows two additional incentives for qualifying for-sale housing development projects; and clarifies that DBL can apply to the parts of a development that did not trigger eligibility for DBL in the first place.

AB 2480 (Ávila Farías)

Status: Passed and Signed

Creates an additional density bonus tier for student housing developments that provide at least 24 percent of units to lower-income students and include additional units affordable to moderate-income students (with no more than 50 percent of total units restricted). Revises the rent calculation for lower-income student units.

SB 1383 (Arreguín)

Status: Passed and Signed

Prohibits a concession or incentive from being used to modify local labor standards for any building taller than 85 feet above grade, provided that the local labor standards do not exceed the labor requirements in SB 35 [Gov. Code § 65913.4(a)(8)] as they existed on December 31, 2025.

Housing Accountability Act and SB 35

AB 2390 (Schiavo)

Status: Passed and Signed

Refines the SB 35 (Gov. Code § 65913.4) process for modifications to approved projects. Requires modifications must be evaluated against objective zoning, subdivision, and design review standards in effect when the original application was submitted; requires subsequent modifications to be evaluated using the same assumptions and methodology used in the original or in a prior modification; and extends the litigation-based approval timelines to all modification requests, not just the first.

SB 1072 (Committee on Housing)

Status: Passed and Signed

Makes several housing law updates, including: extending the Housing Accountability Act (Gov. Code § 65589.5) petition deadline; updating notice requirements for at-risk assisted housing developments, revising farmworker housing tax credit definitions, conforming state low-income housing tax credit law to recent federal changes, and making technical updates to federal Housing Trust Fund and CDBG provisions. It also removes expired provisions and updates statutory references and reporting requirements.

AB 1621 (Wilson)

Status: Passed and Signed

Limits building permit plan check and specification reviews for postentitlement phase permits to 2 rounds; shortens appeal decision timelines from 60 to 30 business days for projects with 25 or fewer units and from 90 to 45 business days for larger projects; and makes violations of postentitlement permit requirements enforceable under the Housing Accountability Act (Gov. Code § 65589.5).

Housing Elements and Annual Progress Reports

AB 1573 (Bryan)

Status: Passed and Signed

Revises the definition of "target population" in housing element law (Gov. Code § 65582) to include victims of domestic violence, sexual assault, and human trafficking.

SB 457 (Becker)

Status: Passed and Signed

Requires HCD, by July 1, 2028, to develop or approve optional formulas for estimating the realistic development capacity of Housing Element sites, rezoning or constraint removal programs, and accessory dwelling units. A jurisdiction's use of the formulas is not subject to judicial review, except as to whether it misapplied the formula, or relied on substantially inaccurate, misclassified, or otherwise faulty data. It also requires site inventories to show existing and post-rezoning unit capacity and defines qualifying "in-kind services" that may count as committed local assistance for affordable housing.

SB 1426 (Committee on Housing)

Status: Passed and Signed

Makes nonsubstantive organizational updates to the annual report requirements and consolidates reporting related to surplus land, SB 9 units/urban lot splits, and other housing production data into Gov. Code § 65400. Takes effect immediately, on June 30, 2026, as an urgency statute.

RHNA Process and Sustainable Communities Strategies

AB 2296 (Papan)

Status: Passed and Signed

Moves key RHNA milestones to be six months earlier, including deadlines for forming subregions, developing allocation methodologies, and issuing draft allocations. It also bases Housing Element deadlines on estimated regional transportation plan adoption dates, ties SANDAG's 7th Cycle Housing Element deadline to 18 months after the estimated (rather than actual) adoption date of its 2029 regional transportation plan update, transitions jurisdictions currently on five-year Housing Element cycles to eight-year cycles, and requires MPOs to notify HCD and Caltrans of their estimated RTP adoption date 24 months (previously 12 months) in advance.

SB 1087 (Cabaldon)

Status: Passed and Signed

Restructures sustainable communities strategies around an 8-year comprehensive update cycle beginning with the first or second regional transportation plan adopted on or after January 1, 2028, with an implementation progress report after four years (MPOs must notify CARB by July 1, 2027, which RTP will begin the cycle). It repeals the SANDAG-specific SCS implementation report requirement. It also establishes 2035 and 2045 greenhouse gas reduction targets and more closely ties state transportation funding to implementation of a CARB-approved sustainable communities strategy or alternative planning strategy.

Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)

AB 956 (Quirk-Silva)

Status: Passed and Signed

Amends Gov. Code § 66323(a)(2) to allow two detached new construction ADUs up to 800 square feet that a local agency must ministerially approve on single-family lots, but does not require ministerial approval for JADUs on the same lot where two detached new construction ADUs have been built.

SB 1117 (Cervantes)

Status: Passed and Signed

Changes how jurisdictions calculate impact fees for ADUs by requiring that impact fees for certain ADUs be based only on the area in excess of 750 square feet of interior livable space.

Improvements and Impact Fees

SB 1014 (Grayson)

Status: Passed and Signed

Allows applicants to request a preliminary estimate of required onsite and offsite improvement, including a good-faith cost estimate for the improvements, which must be provided within 30 business days of the request. Also requires, within 30 business days of deeming a postentitelemnt phase permit application complete, to provide an itemized list of all required onsite and offsite improvements.

SB 1036 (Grayson)

Status: Passed and Signed

Requires local agencies to credit a project that demolishes or changes an existing use, when calculating development impact fees, so fees apply only to the additional impacts created by the new use. It applies the same approach to changes in water and sewer capacity.

Funding

AB 179 (Committee on Budget)

Status: Passed and Signed

Makes numerous housing and homelessness budget-related changes, including revising Homeless Housing, Assistance, and Prevention (HHAP) Program funding and reporting requirements, restructuring state housing-finance programs, prioritizing private activity bonds for affordable rental housing, and creating a disaster rebuilding loan program. Beginning with funding opportunities issued after July 1, 2027, it also incentivizes cities and counties to reduce or waive impact fees and reduces certain state affordable housing awards when a local government serving as lead applicant continues to impose those fees. Budget trailer bill; urgency statute, effective immediately upon Governor's signature on July 13, 2026.

AB 2397 (Ta)

Status: Passed and Signed

Limits a local agency's ability to abandon, refuse special tax authorization, or block bonded debt for a "critical housing infrastructure district" formed to finance facilities serving a housing project with lower- or moderate-income units, unless the agency makes substantial-evidence findings that the district would adversely affect the public interest.

SB 417 (Limón and Rivas)

Status: Passed and Signed; Subject to Voter Approval

Places the Veterans and Affordable Housing Bond Act of 2026, an $11.25 billion general obligation bond, on the November 3, 2026, statewide ballot, including $10 billion for affordable rental housing, homeownership, supportive housing, farmworker housing, infill infrastructure, and related programs, and $1.25 billion for veterans' farm and home loans.

SB 1091 (Caballero)

Status: Passed and Signed

Creates the Community Anti-Displacement and Preservation Program to acquire and rehabilitate market rate housing and convert it to long-term affordable housing. The bill also establishes a dedicated fund in the State Treasury, applies specified tenant protections to funded projects, and requires HCD to provide technical assistance and capacity building for the development and ongoing operation of projects funded pursuant to the program. Funding is subject to appropriations.

Factory-Built Housing

AB 1815 (Wicks and Quirk-Silva)

Status: Passed and Signed

Clarifies that only statewide building standards apply to factory-built housing, with limited exceptions for local health and safety conditions. Local zoning, setbacks, site development, and design requirements still apply. Defines "factory-built housing structure" (at least 2/3 residential and at least 30% of residential area factory-built) and creates a rebuttable presumption favoring factory-built housing determinations.

AB 2185 (Quirk-Silva and Wicks)

Status: Passed and Signed

Requires state housing finance agencies to update guidelines by July 1, 2027 to review and make any changes necessary to their multifamily program guidelines and regulations to facilitate the production and use of factory-built housing.

Environmental Justice Elements

AB 1457 (Bryan)

Status: Passed and Signed

Requires cities and counties with disadvantaged communities to adopt or review their Environmental Justice elements or policies by the earlier of the next concurrent revision of two or more general plan elements or June 30, 2031. For elements or policies adopted after June 30, 2027, the bill establishes new outreach, noticing, translation, public review, and documentation requirements.