

CALIFORNIA LEGISLATURE—2025-2026 SIMULATION SESSION

SENATE BILL

NO. 61

Introduced by Senator McGuire
(Co-sponsored by Senator Perez, Cabaldon, Wiener, and Blakespear)

October 1, 2025

The bill aims to provide multi-unit housing regulations of potential projects related to multi-unit affordable housing buildings in rural parts of California. Aimed to address the housing crisis and provide faster approval times for affordable housing unit projects to low-income households.

LEGISLATIVE COUNSEL’S DIGEST

SB 61, as introduced, Senator McGuire, Rural California Affordable Housing Development Act.

Existing laws provide a broad exemption from the California Environmental Quality Act (CEQA) for qualifying vacant or underutilized neighborhoods/areas. Existing laws also provide streamlined housing approval for construction by reducing regulatory hurdles while preserving public health and environmental protections through the compliance with zoning laws.

This bill beginning January 1, 2026, shall enforce the State of California to provide exemptions for streamlined California Environmental Quality Act (CEQA) review on “multi-unit” affordable housing unit building projects in rural parts of the State of California. Aimed to provide a faster approval time of multi-unit projects for affordable housing units in rural areas of the state and provide a rent control for these affordable housing units based off the income of the household (income-adjusted rent).

Local Agencies shall enforce the acts of this bill and oversee the development of any housing units in their counties. This bill shall request that the Controller of the State of California to allocate the sum of \$500,000 for the enforcement of this bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

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

SECTION 1. “Multi-unit housing” refers to buildings or complex structures that contain multiple separate living units per households withing a single structure or multiple structures within the same property. The following subsections clarify the distinctions of large, medium, and small multi-unit housing structures:

(a) “Large multi-unit housing structures” contain more than fifty housing units within its building structure

(b) “Medium multi-unit housing structures” contain between five to forty-nine housing units within its buildings structure

(c) “Small multi-unit housing structures” contain between two to four housing units within its building structure

SEC. 2. The California Environmental Quality Act shall be referred to as “CEQA” in this bill

SEC. 3. “Streamline” in approval process refers to simplifying or optimizing review by reducing delays, increasing efficiency and transparency.

SEC. 4. Rural areas of California experience affordable housing issues, with projects receiving long review times for approval. Under this section, multi-unit housing projects in rural parts of California shall receive streamlined CEQA review/approval times to begin the groundbreaking of these projects as soon as possible if the purpose of these multi-unit buildings are to house low-income households. Under this section, rental expenses shall be calculated based on an income-adjusted plan, where rental payments shall not exceed 30% of a tenant’s monthly income.

(a) CEQA review/approval time for affordable multi-unit housings projects shall take place within a calendar year, under this bill these multi-unit housing projects shall be streamlined for a 6-month review period for approval to begin groundbreaking and development of the construction site for these multi-unit projects by no later than the following year.

(b) Pricing of the tenant’s rental expenses in these “multi-unit” affordable housing units shall not exceed 30% of their monthly income. Tenants’ rent will vary based off their income; however, payments shall not exceed the 30% mark of their monthly income. Therefore, rent in these units shall be income-adjusted.

SEC. 5. The building developers of multi-unit housing projects shall work closely with local officials regarding the permits and approval of construction of these multi-unit buildings. Working closely to follow and comply with the zoning regulations in the respective County they plan to develop the multi-unit affordable housing project in and also comply with State Zoning regulations.

SEC. 6. Streamlined CEQA review shall only be done on projects that reside within the County’s jurisdiction lines.

(a) Any annexation done by the County needs to be notified and filed to the State of California in order for streamlined CEQA review on affordable multi-unit housing projects to be done. Once Annexation and filing is complete, streamlined CEQA review for any affordable multi-unit housing projects done on annexed lands can begin the following calendar year.

SEC. 7. This bill requires the Controller of the State of California to allocate the sum of \$500,000 for the implementation of this bill's enforcement. Including to address any required paperwork and to change any current CEQA review on projects that fall under this bill to be streamlined.

SEC. 8. This bill shall run from January 1, 2026, through January 1, 2046. California Legislature can amend the acts of this bill to become law indefinitely by January 1, 2036.