



**APA CALIFORNIA LEGISLATIVE UPDATE
JANUARY 2026**

By Reuben Duarte, Vice President for Policy and Legislation
Lauren De Valencia, APA California Lobbyist

The 2026 Legislative Session Begins

The 2026 Legislative Session began on January 5, and as always, we are preparing for what is expected to be another busy year. 2026 marks the second of the two-year session, which means bills that were carried over from last year must pass out of their house of origin by January 31 to continue moving, or can be reintroduced as a new bill. The deadline to introduce new bills is February 20 and it's anticipated that we will again see several proposals related to housing and homelessness, in addition to continuing to address infrastructure needs to help meet California's climate goals. As always, we expect hundreds of bills of interest to planners to be introduced. As they are, APA California will review and create a tracking list that will be posted on the [advocacy](#) page of the APA California website in February. Stay tuned for more updates on specific bills and our activities as the session moves forward!

2025-2026 Proposed Budget Released

On January 9 the Department of Finance presented Governor Gavin Newsom's final proposed 2026-2027 California State Budget, totaling \$348 billion. The Administration is projecting a \$2.9 billion budget deficit, which stands in sharp contrast to the \$18 billion shortfall projected by the Legislative Analyst's Office in November of last year.

The Administration attributes a lower deficit projection to increased general fund revenue as a result of higher than expected stock market performance and cash receipts. That said, they also cautioned that the deficit could grow to as much as \$22 billion in fiscal year 2027-28, due to a potential future stock market downturn and uncertainty with various policies and actions from the Federal Administration. The Budget does not include new significant investments, reflecting this year's fiscal challenges.

Below are a few highlights to share as we continue to review the Budget that will be of interest to planners from the proposal:

Housing and Homelessness:

California Housing and Homelessness Agency (CHHA) and the Housing Development and Finance Committee (HDFC) – Continues implementation of the new agency as well as incorporates steps to streamline and integrate the state's housing finance system.

Affordable Housing and Sustainable Communities— Provides up to \$560 million annually from Cap-and-Invest proceeds that will be shifted to HDFC to administer affordable housing programs as part of the Administration's modernization of the AHSC Program, aligning the state's largest ongoing source of housing capital funding within the new CHHA to streamline administration, better leverage complementary housing subsidies, and accelerate delivery of climate-aligned affordable housing.



American Planning Association
California Chapter

Creating Great Communities for All

Homeless Housing, Assistance and Prevention (HHAP) Grants - Doesn't include new HHAP funding specifically, instead \$500 million is planned, contingent on enhanced accountability and performance requirements.

Climate:

Climate Bond Implementation - Allocates \$2.1 billion in the second year of a multi-year investment plan. Implementation mechanisms will provide transparency, accountability, and equitable access, with a focus on delivering meaningful benefits to historically underinvested communities.

Fire Resilience—Provides \$19.6 million for technical and financial assistance to help homeowners in wildfire-vulnerable areas to implement defensible space mitigations, including creation of an ember-resistant zone within five feet of a home or structure (known as Zone 0) to reduce the potential for structure ignition during a wildfire.

Extreme Heat – Proposes \$241 million to continue investments that support implementation of the state's Extreme Heat Action Plan and build resilience to extreme heat across California, with a focus on those most vulnerable to its impacts.

Over the next few months, draft budget trailer bill language to implement specifics in the proposed budget will be published online and budget subcommittees will begin to hold hearings on these proposals. While the current proposal doesn't include significant new expenditures or cuts, the Governor will offer a revision in mid-May where details will really take shape. The final budget must be passed by June 15th. Budget trailer bills to implement the budget must also be passed by the end of session on August 31st. For more details on this proposal, please review the Governor's [Budget Summary](#).

Stay Connected on Legislation

If you're interested in receiving updates on legislative and regulatory issues from the Chapter's Policy and Legislation Team, please join [HERE](#). Have questions on policy and legislative related issues, including bills and regulations? APA California members are welcome to reach out to the VP for Policy and Legislation at policy@apacalifornia.org.

APA California's Work in the Legislature

APA California has a robust legislative program at the Chapter level that engages with the California Legislature. The Policy and Legislation team includes an elected VP for Policy and Legislation, two appointed Legislative Technical Advisors, and a Lobbyist retained by the Chapter. The team engages directly with APA California Section Legislative Representatives from each of the 8 Sections within the Chapter to discuss feedback on legislation and other relevant issues regularly throughout the year. To view the Policy and Legislation team, visit the [Board of Directors](#) page.



American Planning Association
California Chapter

Creating Great Communities for All

APA California actively engages in many bills throughout the year. In fact, we work closely with legislative and committee staff on amendments and clarifications to bills before taking a position. As an organization, APA California is often asked to provide feedback on planning related bills and provide technical expertise, giving a voice to planners and an opportunity to help shape legislation. This is a valuable role that the Chapter works hard to maintain. More broadly, we will continue to discuss the work planners are doing at the local level to implement and keep up with all the planning related bills that pass year over year and how that relates to the cumulative impact of bills on the table this year. We also continue seek opportunities to suggest tangible ways, absent fiscal resources at the state level, that the Legislature can help to make implementation more successful and support the planning community.