



SB 916 – Student Homes Protection Act

Preventing bad-faith CEQA litigation against student housing developments.

SUMMARY

SB 916 ensures California prioritizes student housing by clarifying that courts may exercise judicial discretion to require a bond in lawsuits challenging student housing developments. This will help prevent frivolous lawsuits that can delay or derail student housing.

BACKGROUND

California faces a severe housing shortage, with production consistently falling below the number of homes needed to meet demand. Over the past decade, the state has built fewer than 80,000 new homes per year, while estimates suggest California needs roughly 180,000 units annually to keep pace with growth, contributing to rising costs, increasing rent burdens, and displacement.¹ California has promised to build 2.5 million new homes by 2030, yet annual production still lags behind the pace required to meet that target.²

The California Environmental Quality Act (CEQA) requires public agencies to “look before they leap” by evaluating and disclosing the environmental impacts of new developments to minimize harm.³ However, when misused through non-essential litigation, CEQA can delay or obstruct critical housing projects, contributing to the state’s ongoing shortage by slowing the construction.

Student housing is a particularly vulnerable subset of this shortage, as universities struggle to build housing that keeps pace with demand. More than 30,000 students are on annual waiting lists for housing provided by the University of California (UC) and California State University (CSU) systems, highlighting a gap that mirrors the state’s broader housing crisis.⁴

As a result, an estimated 417,000 students across the UC, CSU, and CCC systems lack stable housing.⁵ One in five CCC students, one in ten CSU students, and one in twenty UC students experience homelessness, creating a major barrier for students to complete their education.⁶ Students who lack stable housing are up to 87% more likely to drop out of school than their peers, making it harder to access stable employment and higher wages. This creates a vicious cycle that hinders students' ability to achieve economic security and upward mobility in their education.⁷

Sacramento State’s new downtown campus, which includes housing for up to 2,000 students, will expand access to safe, affordable homes close to where students learn.⁸ Student homes like this are essential to student success and must be protected from unnecessary lawsuits that can delay or derail student housing from being built.

THE PROBLEM

Student housing projects often operate on thin financial margins and serve populations sensitive to cost and timing. CEQA lawsuits can delay these projects for years, increase development and construction costs, and ultimately raise costs for students once they finally move in.

Between 2018 and 2023, seven student housing projects developed by the UC system were sued under CEQA, with approximately 4,100 beds still affected by ongoing litigation.⁹

While courts may require a bond for bad-faith litigation in affordable housing projects, student housing is currently not explicitly covered, leaving student housing projects vulnerable to litigation that can lead to delays or obstructions.

¹ [California Dept of Housing and Community Development](#)

² [KCRA](#)

³ [CA Governor’s Office of Land Use and Climate Innovation](#)

⁴ [Inside Higher Ed](#)

⁵ [Los Angeles Times](#)

⁶ [Legislative Analyst’s Office](#)

⁷ [American Youth Policy Forum](#)

⁸ [Sacramento State University](#)

⁹ [UC Regents](#)

THE SOLUTION

SB 916 prevents frivolous litigation-driven delays affecting student housing by clarifying that courts may require a bond in lawsuits challenging student housing projects, ensuring California continues to prioritize homes for students.

This bill allows judges to retain discretion to limit or waive bond requirements, ensuring that legitimate environmental or community concerns can still be raised while safeguarding the development of student housing.

SUPPORT

- Student Homes Coalition (Sponsor)

FOR MORE INFORMATION

Cynthia Weber, *Legislative Aide*

Email: Cynthia.Weber@sen.ca.gov

Phone: (916) 651-4008

DRAFT