

Date of Hearing: March 12, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 301 (Schiavo) – As Amended March 4, 2025

SUBJECT: Planning and zoning: housing development projects: postentitlement phase permits: state departments

SUMMARY: Establishes specific timeframes for all state departments involved in postentitlement reviews and approvals for housing developments. Specifically, **this bill:**

- 1) Extends the same timelines and provisions involved in postentitlement phase permits for housing developments, that apply to local governments, to state departments, as follows:
 - a) Adds any postentitlement review by a state department associated with a housing development proposal to the definition of “postentitlement phase permit;”
 - b) Defines a “state department” as any department of the state involved in governmental reviews or approvals associated with a housing development project;
 - c) Requires a state department to compile one or more lists of information that will be required from any applicant for a postentitlement phase permit. The state department may revise the lists but any revised list cannot apply to any permit pending review;
 - d) Requires a state department to post an example of a complete, approved application and an example of a complete set of postentitlement phase permits;
 - e) Requires the lists and example permits in 1)c) and 1)d) to be posted on the state department’s website by January 1, 2026;
 - f) Requires a state department to determine whether an application for a postentitlement phase permit is complete and provide written notice of this determination to the applicant within 15 business days after the state department received the application;
 - g) Provides that if the state department determines an application is incomplete, the state department must provide the applicant with a list of incomplete items and a description of how the application can be made complete. The state department cannot request new information that was not on the original list of required information;
 - h) Provides that, after receiving a notice that the application was incomplete, an applicant may cure and address the items that are deemed to be incomplete by the state department. Upon receipt of a corrected application, the state department must notify the applicant whether the additional application has remedied all incomplete items within 15 business days;
 - i) Provides that if a state department does not meet the timelines required for determining an application complete, and the application or resubmitted application states that it is for a post-entitlement phase permit, the application is deemed complete;

- j) Requires state departments to complete the permit review and electronically notify the applicant of its determination within:
 - i) Thirty business days of the application being complete for housing development projects with 25 units or fewer; or
 - ii) Sixty business days of the application being complete for housing development projects with 26 units or more.
- k) Provides that the time limits in (j) do not apply if the state department makes written findings within the applicable time limit that the proposed postentitlement phase permit might have a specific, adverse impact, as defined, based on substantial evidence, on public health or safety and that additional time is necessary to process the application;
- l) Prohibits a state department from subjecting the postentitlement phase permits to any appeals or additional hearing requirements once it is deemed compliant with all applicable permitting standards;
- m) Provides that if a state department finds that a complete application is defective or deficient, it must provide the applicant with a list of items that are defective or deficient and a description of how the application can be remedied by the applicant within the applicable time limit, but must provide the list and description when it transmits its determination to the applicant. If a state department denies a postentitlement phase permit application based on a defect or deficiency, the applicant may attempt to remedy the defect or deficiency, and that additional application is subject to the timelines of a new application;
- n) Requires a state department to also provide an applicant whose permit is determined to be incomplete or denied an appeals process. If an applicant appeals, the state department must make a final determination within:
 - i) 60 business days of the appeal for a project of 25 units or fewer; or
 - ii) 90 business days of the appeal for a project of 26 units or more.
- o) Provides that failure to meet the time limits in this bill by the state department will result in the postentitlement permit to be deemed approved and any related reviews shall be deemed complete;
- p) Provides that there is no limit to the amount of feedback that a state department may provide or revisions that they may request; and
- q) Allows an applicant and a state department to mutually agree to an extension of any time limit provided in the bill, however, the state department cannot require the applicant to agree to an extension.
- r) Includes an urgency clause.

EXISTING LAW:

- 1) Defines “postentitlement phase permit” as follows:
 - a) All nondiscretionary permits required by a local agency after the entitlement process to begin construction of a development that is intended to be at least two-thirds residential, excluding specified planning permits, entitlements, and other permits. These permits include, but are not limited to, all of the following:
 - i) Building permits, and all inter-departmental review required for the issuance of a building permit;
 - ii) Permits for minor or standard off-site improvements;
 - iii) Permits for demolition; and
 - iv) Permits for minor or standard excavation and grading.
 - b) Allows a local agency to identify by ordinance a threshold for determining whether a permit constitutes a “minor” or “standard” permit if supported by written findings; and
 - c) Excludes a permit required and issued by the California Coastal Commission (Commission), a special district, or a utility that is not owned and operated by a local agency, or any other entity that is not a city or county. (Government Code (GC) 65589.5)
- 2) Requires a local agency, defined to include a city or county, to compile one or more lists of information that will be required from any applicant for a postentitlement phase permit. (GC 65589.5)
- 3) Allows the local agency to revise the lists specified in (2), however, any revised list cannot apply to any permit pending review. (GC 65589.5)
- 4) Requires a local agency to also post an example of a complete, approved application and an example of a complete set of postentitlement phase permits for at least five types of housing development projects in the jurisdiction, as specified. Requires the lists and example permits to be posted on the city or county’s website by January 1, 2024. (GC 65589.5)
- 5) Requires a local agency to determine whether an application for a postentitlement phase permit is complete and provide written notice of this determination to the applicant within 15 business days after the local agency received the application, as follows:
 - a) If the local agency determines an application is incomplete, the local agency must provide the applicant with a list of incomplete items and a description of how the application can be made complete, but the local agency can’t request new information that wasn’t on the original list of needed information;
 - b) After receiving a notice that the application was incomplete, an applicant may cure and address the items that are deemed to be incomplete by the local agency. Upon receipt of a corrected application, the local agency must notify the applicant whether the additional application has remedied all incomplete items within 15 business days; and

- c) If a local agency does not meet the timelines required for determining an application complete, and the application or resubmitted application states that it is for a postentitlement phase permit. (GC 65589.5)
- 6) Specifies a process for approving postentitlement permits, as follows:
- a) Requires local agencies to complete review, either return in writing a full set of comments to the applicant with a comprehensive request for revisions or return the approved permit application, and electronically notify the applicant of its determination within:
 - i) Thirty business days of the application being complete for housing development projects with 25 units or fewer; or
 - ii) Sixty business days of the application being complete for housing development projects with 26 units or more.
 - b) Provides that these time limits do not apply if the local agency makes written findings within the applicable time limit that the proposed postentitlement phase permit might have a specific, adverse impact, as defined, on public health or safety and that additional time is necessary to process the application;
 - c) Tolls the time limits for approval if the local agency requires review of the application by an outside entity, as specified;
 - d) If a local agency finds that a complete application is noncompliant, the local agency must provide the applicant with a list of items that are noncompliant and a description of how the application can be remedied by the applicant within the applicable time limit, as provided, and must allow the applicant to correct the application;
 - e) Requires local agencies to establish an appeals process. If an applicant appeals, the local agency must make a final determination within:
 - i) Sixty business days of the appeal for a project of 25 units or fewer; or
 - ii) Ninety business days of the appeal for a project of 26 units or more. (GC 65589.5)
- 7) Provides that failure to meet the time limits in this bill constitute a violation of the Housing Accountability Act (HAA). (GC 65589.5)
- 8) Allows extension of any of the time limits upon mutual agreement by the local government and the applicant. However, a local agency cannot require as a condition of submitting the application that the applicant waive the time limits in this bill, with an exception for environmental review associated with the project. (GC 65589.5)
- 9) Allows a local agency to provide any amount of feedback to, or request any amount of revisions from, an applicant. (GC 65589.5)
- 10) Requires local agencies provide an option for postentitlement phase permits to be applied for, completed, and retrieved by the applicant on its internet website, as follows:

- a) A local agency located in a county with a population of 1,100,000 or greater, or a local agency with a population of 75,000 or greater in any county, as determined by the 2020 census, must comply no later than January 1, 2024. However, a local agency may extend the time period described in that paragraph by up to two years if the legislative body of the local agency does both of the following by January 1, 2024:
 - i) Makes a written finding that adopting an online permitting system by January 1, 2024, would require substantial increases in permitting fees; and
 - ii) Has initiated a procurement process for the purpose of complying with the requirement.
 - b) The following local agencies must comply no later than January 1, 2028:
 - i) A local agency with a population of fewer than 75,000 located in a county with a total population of less than 1,100,000, as determined by the 2020 census;
 - ii) A county with a population in the unincorporated area of fewer than 75,000, as determined by the 2020 census; and
 - iii) These local agencies extend the above time period by up to an additional five years if the legislative body of the local agency makes a written finding that adopting an online permitting system on or before January 1, 2028, would require substantial increases in permitting fees.
 - c) Specifies additional requirements for the online permitting process; and
 - d) Excludes counties with populations of fewer than 250,000 as of January 1, 2019, and all cities within those counties. (GC 65589.5)
- 11) Makes conforming changes to the HAA and findings and declarations to support its purposes. (GC 65589.5)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the Author, "AB 301 is an exciting step forward in ensuring that state agencies move with the same urgency as local governments to address the housing shortage. By applying firm review deadlines to all state-level approvals, this bill would cut unnecessary delays and help get housing projects off the ground faster. With streamlined processes and increased predictability, California can take a big step toward meeting its housing needs, making homes more accessible and affordable for residents across the state."

State and Local Housing Needs and Affordability: According to the Department of Housing and Community Development (HCD), California's housing crisis is a half-century in the making.

¹ After decades of underproduction, supply is far behind need and housing and rental costs are

¹ California Department of Housing and Community Development, *A Home for Every Californian: 2022 Statewide Housing Plan*. March 2022, <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state. One in three households in the state doesn't earn enough money to meet their basic needs. In 2024, over 187,000 Californians experienced homelessness on a given night.²

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA). By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.³ To keep pace with demand, Los Angeles County was tasked with building over 812,000 new homes by 2029. The destruction of homes caused by the Palisades and Eaton fires only exacerbated this housing shortage at the state, regional, and local level.

This bill would address a key governmental constraint to housing production by expediting any reviews or approvals required by state departments in the housing development process. Speeding up housing approvals as proposed in this bill reduces costs by minimizing delays that increase financing, labor, and material expenses. Faster approvals also create more certainty for developers, encouraging investment and increasing housing supply, which helps stabilize prices. Increasing the supply and availability of housing available at all income levels ultimately lowers housing costs and helps to promote a more affordable California.

Palisades and Eaton Fires: On January 7, 2025, two devastating wildfires, the Palisades Fire and Eaton Fire, both ignited in Los Angeles County. The Palisades Fire began in the Santa Monica Mountains, rapidly spreading across over 23,000 acres and destroying over 6,800 structures, primarily in the Pacific Palisades community of the City of Los Angeles.⁴ The Eaton Fire ignited in Eaton Canyon near Altadena, burning more than 14,000 acres, destroying over 9,400 structures.⁵ Both fires were fully contained by January 31, 2025. Of the more than 16,000 homes and other structures destroyed, the vast majority were located in what is referred to as the wildland-urban interface, or WUI.⁶ The WUI is where human development meets or mixes with the undeveloped natural environment or wildlands.⁷

Executive Orders: In response to the Palisades and Eaton fires, Governor Newsom issued four executive orders in January and February 2025 intended to help the Los Angeles region rebuild permanent housing quickly. Many of the actions in the executive orders are directly related to expediting the housing approvals process, and removing permitting barriers at the state and local levels. These include:

- Suspending the California Environmental Quality Act (CEQA) review and California Coastal Act permitting requirements for the reconstruction of damaged or destroyed properties for the following:

² U.S. Department of Housing and Urban Development, Point in Time Counts.

<https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

³ <https://www.hcd.ca.gov/policy-research/housing-challenges.shtml>

⁴ <https://www.latimes.com/california/live/la-fire-updates-floods-mud-rain-closures-laguna-eaton-palisades>

⁵ IBID.

⁶ <https://calmatters.org/environment/wildfires/2025/01/la-county-fires-wildland-urban-interface/>

⁷ IBID.

- Primary structures that are in substantially the same location as, and do not exceed 110% of the footprint and height of, the original primary structures that existed immediately before the emergency;
 - Accessory structures that are in substantially the same location as, and do not exceed 100% of the footprint and height of, the original accessory structures that previously existed;
 - New accessory dwelling units (ADUs) on a residential property on which a primary residence was substantially destroyed, but only to the extent that such ADUs are built at least 10 feet from a canyon bluff or 25 feet from a coastal bluff; and,
 - Supportive infrastructure that is necessary to construct and install all of the above structures.
- Suspending the provisions of the California Coastal Act requiring coastal development permits for the establishment, repair, or operation of a mobilehome park or special occupancy park, as well as the replacement, installation, or repair of one or more mobilehomes, manufactured homes, or recreational vehicles on privately-owned land.
 - Extending from one year to three years the time that a person has to start work on a building permit issued for a project to repair, restore, demolish, or replace a structure or facility in LA County that was substantially damaged or destroyed in the disasters.
 - Extending all coastal development permits issued under the California Coastal Act for an additional 3 years for projects involving properties or facilities that were damaged or destroyed.
 - Requiring HCD, the Office of Land Use and Climate Innovation, OES, and the Department of General Services (DGS) to provide the Governor with a report identifying other state permitting requirements that may unduly impede efforts to rebuild properties or facilities destroyed that should be considered for suspension, and to update that report every 60 days.
 - Requiring HCD to coordinate with local governments to identify and recommend procedures, including but not limited to exploring the use of pre-approved plans and waivers of certain permitting requirements, to establish rapid permitting and approval processes to expedite the reconstruction or replacement of residential properties destroyed or damaged by fire.
 - Prohibiting the Commission from taking any action that interferes with the executive order related to California Coastal Act permitting.
 - Committing to collaborating with the Legislature to identify and propose statutory amendments that durably address barriers impeding rapid rebuilding efforts in the areas affected by this emergency.

This bill would help to further the objectives of Governor Newsom's Executive Orders related to rebuilding by addressing state permitting requirements and processing timelines that may unduly

impede efforts to rebuild properties or facilities destroyed by the Palisades and Eaton fires. It would, however, go further than the mandates of the existing Executive Orders and actions by requiring all state departments involved in the housing approvals process to adhere to strict review timeframes for all housing development throughout the state, not just for the rebuilding of damaged and destroyed properties in Los Angeles County. This broader scope would not just help with immediate rebuilding efforts, it may also help to reduce barriers to housing development statewide moving forward. Expedited permitting, review, and approval timelines and increased certainty would help to alleviate the housing crisis and proactively bolster the housing supply.

The Housing Approvals Process – Entitlement Phase: The process to gain approval to build new housing in California is often arduous, unpredictable, and expensive. Under the California Constitution, cities and counties have broad authority, known as the police power, to regulate land use in the interest of public health, safety, and welfare. Local governments enforce this authority through an entitlement process, which includes both discretionary and ministerial approvals. Gaining “entitlement” is essentially a local government’s confirmation that a housing project conforms with all applicable local zoning regulations and design standards.

Navigating through the various stages of housing entitlement requires developers to invest time and resources early in the development process. To address this, the Legislature has enacted various laws to streamline, expedite, and standardize approvals, particularly for projects meeting objective standards. One such law is the Permit Streamlining Act (PSA), which mandates strict deadlines for local agencies to approve or deny projects at the entitlement stage to minimize bureaucratic delays. In addition to these overarching statutes, the Legislature has also enacted more targeted laws that apply streamlined approval processes to specific housing types or circumstances.

The Housing Approvals Process – Local Postentitlement Phase: Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits. These include building, demolition, and grading permits issued by the local agency – typically the local building department. Postentitlement permits are related to the physical construction of the development proposal before construction can begin. At the postentitlement stage, plans are reviewed by local agencies for consistency with State Housing Law, which provides requirements and procedures for uniform statewide code enforcement to protect the health, safety, and general welfare of the public and occupants of housing and accessory buildings. Among other things, State Housing Law delegates responsibility to state administrative agencies for the adoption of building standards, applies state building codes uniformly, and directs local agencies’ administration of code enforcement. During the postentitlement stage, development proposals are checked for consistency with the Building Code, Fire Code, Energy Code, and green building standards.

AB 2234 (Rivas), Chapter 651, Statutes of 2022, extends key provisions of the PSA to postentitlement permitting by establishing:

- Deemed Complete Timeframe: Agencies must determine application completeness within 15 business days of receipt;
- Substantive Review Timeframe: Agencies must approve or deny postentitlement permits within 30-60 business days, depending on project size; and

- Revision and Appeal Process: Developers have a clear process to amend applications and appeal denials or incomplete determinations.

If a local government violates the timelines stipulated in AB 2234, it is considered a violation of the HAA. HCD has enforcement authority over the HAA, among other state housing laws. HCD initiates enforcement reviews based on various sources, including stakeholder complaints. If there is suspected violation of a housing law such as the HAA, the process typically begins with discussions with the local government for HCD to better understand the issue. If further action is needed, HCD may issue a letter of inquiry, technical assistance, or corrective action, usually allowing 30 days for a response. Depending on the outcome, HCD may acknowledge compliance, issue a violation notice, or revoke housing element certification. If the issue remains unresolved, HCD may escalate the matter to the California Attorney General, who may take legal action, including potentially imposing fines or other penalties.

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In HCD's San Francisco Housing Policy and Practice Review, the department found that procedural complexities associated with housing entitlement and permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but it may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural requirements instead.⁸ Based on self-reported Annual Progress Report (APR) data, postentitlement permits for multifamily housing with five or more units issued in 2023 took, on average, 377 days to gain approval.⁹ That is after these same projects underwent a 323 day entitlement process.¹⁰ This lengthy pathway to approval indicates that this law may not be working as intended.

State Involvement in Housing Approvals: While local governments are primarily responsible for approving housing developments within their jurisdiction, various state departments may also play a role, depending on the project scope and location. For example, the Department of Toxic Substances Control (DTSC) reviews housing projects for potential hazardous materials, requiring site cleanup and mitigation plans. The California Department of Transportation (CalTrans) assesses development proposals that impact state highways, reviewing traffic impact analyses, access modifications, and right-of-way needs to ensure housing developments do not create congestion or safety hazards. Approvals and reviews by these departments, among others, can affect project timelines, costs, and feasibility, particularly for large-scale or infill housing near major transportation corridors. Without clear and enforceable timelines for all state permitting and reviewing bodies, housing development proposals will continue to stall in the permitting pipeline, undermining efforts to expedite permitting at the local level and decreasing predictability for housing development proposals.

This bill would apply the same timeframes and processes established in AB 2234 to any state departments that are involved in the housing approvals process. This bill would apply to all nondiscretionary permits and reviews that are required or issued by a state department for a

⁸ HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>

⁹ <https://www.hcd.ca.gov/planning-and-community-development/housing-element-implementation-and-apr-dashboard>

¹⁰ IBID.

housing development proposal. Under AB 301, state departments would have to comply with the following timeframes:

- Fifteen business days to conduct a completeness check;
- Thirty business days to review projects with 25 units or less; and
- Sixty business days to review projects with greater than 25 units.

Failure for a state department to meet the timeframes outlined in this bill would result in the postentitlement permit being “deemed approved,” or the review of the state department being “deemed complete.” This bill contains an urgency clause, so its provisions would become effective immediately in response to the dire affordability and homelessness crisis.

Arguments in Support: Members of the California Home Building Alliance write in support: “We support AB 301 since it would ensure that all state agencies involved in post-entitlement housing development reviews will be subject to the timelines contained in AB 2234 (R. Rivas). Failure to complete any state-level reviews or issue permits within those statutory timelines would result in the permit being deemed approved, or the review period being deemed complete. This bill would reduce governmental constraints to housing development and ensure that the state acts with the same urgency as local governments when it comes to reviewing and approving much-needed housing projects. Expediting state-level reviews and approvals will better equip California to address its severe housing deficit.”

Arguments in Opposition: None on file.

Related Legislation:

AB 2234 (Rivas), Chapter 651, Statutes of 2022, established the same timeframes as proposed in this bill for the review of postentitlement permits conducted by local governments.

REGISTERED SUPPORT / OPPOSITION:

Support

AARP
Abundant Housing Los Angeles
California Apartment Association
California Building Industry Association
California YIMBY
East Bay Leadership Council
Housing Action Coalition
Monterey Bay Economic Partnership
San Diego Housing Commission
SPUR

Opposition

None on file.

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