Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT Matt Haney, Chair AB 1206 (Harabedian) – As Introduced February 21, 2025

SUBJECT: Single-family and multifamily housing units: preapproved plans

SUMMARY: Requires each local agency to develop a program for the preapproval of singlefamily and multifamily residential housing plans for public use. Specifically, **this bill**:

- 1) Requires each local agency to develop a program for the preapproval of single-family and multifamily residential housing plans by January 1, 2026, as follows:
 - a) Establishes that the local agency must;
 - i) Accept single-family and multifamily residential housing plans for preapproval from any applicant without restriction; and
 - ii) Approve or deny the application for preapproval pursuant to applicable state and local housing regulations.
 - b) Allows the local agency to charge the applicant permitting fees for the review of the plans submitted for preapproval, as long as the fees are the same as those that would be charged to review the plans if a standard permit application were filed;
 - c) Requires the local agency to post the preapproved plans on the agency's website, with the contact information of the party that submitted the plans included. The posting of the plans shall not be considered an endorsement of the applicant, or an approval of the applicant's application. The local agency is required to remove preapproved plans within 30 days, at the applicant's request; and
 - d) Allows the local agency to admit plans developed and approved by the local agency independently of this program into the preapproved program.
- 2) Requires a local agency to approve or deny an application for a single-family or multifamily housing development ministerially and without discretionary review within 30 days, if the applicant uses either of the following:
 - a) Plans preapproved pursuant to the program established in 1), as long as they were approved by the local agency within the current triennial California Building Standards Code (CBSC) rulemaking cycle; or
 - b) Plans that are identical to a plan that was preapproved pursuant to 1), as long as they were approved by the local agency within the current CBSC rulemaking cycle.
- 3) Applies these provisions to all cities, including charter cities.

EXISTING LAW:

- 1) Requires each local agency to develop a program for the preapproval of Accessory Dwelling Units (ADUs) by January 1, 2025, as follows:
 - a) Establishes that the local agency must;
 - i) Accept ADU plans for preapproval from any applicant without restriction; and
 - ii) Approve or deny the application for preapproval pursuant to applicable state and local housing regulations.
 - b) Allows the local agency to charge the applicant permitting fees for the review of the plans submitted for preapproval, as long as the fees are the same as those that would be charged to review the plans if a standard ADU application were filed;
 - c) Requires the local agency to post the preapproved ADU plans on the agency's website, with the contact information of the party that submitted the plans included. The posting of the plans shall not be considered an endorsement of the applicant, or an approval of the applicant's application. The local agency is required to remove preapproved plans within 30 days, at the applicant's request; and
 - Allows the local agency to admit ADU plans developed and approved by the local agency independently of this program into the preapproved ADU program. (Government Code (GOV) 65852.27)
- 2) Requires a local agency to approve or deny an application for an ADU ministerially and without discretionary review within 30 days, if the applicant uses either of the following:
 - a) ADU plans preapproved pursuant to the program established in 1), as long as they were approved by the local agency within the current triennial California Building Standards Code (CBSC) rulemaking cycle; or
 - b) ADU plans that are identical to a plan that was preapproved pursuant to 1), as long as they were approved by the local agency within the current CBSC rulemaking cycle. (GOV 65852.27)
- 3) Applies these provisions to all cities, including charter cities. (GOV 65852.27)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Home is more than just walls and a roof—it is the foundation of stability, security, and opportunity. Yet, for too many families, particularly those in low-income communities and communities of color, the dream of safe and affordable housing remains out of reach. The devastation of the Los Angeles wildfires only deepened these inequities, displacing thousands and further straining an already dire housing crisis. AB 1206 streamlines the approval process for single-family and multifamily housing by requiring local agencies to establish pre-approved housing plan programs by January 1, 2026. By doing so, homeowners will have access to a set list of housing models they can choose from to quickly and

efficiently rebuild. This bill provides a standardized path for housing development, cutting through red tape so that rebuilding efforts and new construction can move forward without costly and burdensome delays. By making the rebuilding process more accessible and efficient, AB 1206 ensures that communities can recover faster and that families can once again find stability in a place to call home."

Statewide Housing Needs: 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 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 6^{th} Regional Housing Needs Allocation (RHNA) Cycle. 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

Local Housing Approval Timelines: Planning for, and approving, new housing developments is primarily a local responsibility. 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. Once a project receives entitlement, or approval, from the local planning department, it must obtain postentitlement permits, such as building, demolition, and grading permits. Postentitlement permits are related to the physical construction of the development proposal before construction can begin.

Navigating through the various stages of housing approval requires developers to invest time and resources early in the development process. Obtaining approval to build housing can be even more difficult for less-experienced homeowners seeking to add gentle density to their properties. To address this, the Legislature has enacted various laws to streamline, expedite, and standardize housing approvals, particularly for projects meeting objective standards. Despite the efforts to expedite local approvals for housing development proposals both at the entitlement and permitting stages, it still takes far too long to approve housing in California.

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

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 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

permitting are "not only a barrier to entry to new development professionals pursuing [housing] projects," but they may also cause developers to exit housing markets with complex permitting ecosystems and pursue developments in neighboring jurisdictions with less complex procedural requirements instead.⁴ For homeowners seeking to add gentle density to their property, bureaucratic hurdles and delays can result in project abandonment, further tightening the housing production pipeline.

Development Type	Average Days: Submitted to Entitled	Average Days: Entitled to Permitted	Total Days from Submittal to Approval
Single Family (Detached)	160	151	311
Single Family (Attached)	221	93	314
Accessory Dwelling Unit (ADU)	112	222	334
Mobile Home	212	161	373
Two to Four Units	179	345	524
Five or More Units	323	377	700

This bill would address a key governmental constraint to housing production by expediting the housing approvals process for homeowners using plans that the local government already approved. 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 homeowners and developers, encouraging investment and increasing housing supply, which can help to stabilize prices. Increasing the supply and availability of housing at all income levels ultimately lowers housing costs and helps to promote a more affordable California.

Benefits of Standardization and Predictability: In recent years, there has been a legislative trend towards standardization, consistency, and expediency in housing approvals. Research from urban planning, public policy, and economic disciplines consistently highlights the advantages of clear and consistent regulatory frameworks in housing development. Unpredictable and lengthy approval timelines can increase financial risk, discourage investment, and drive up costs for developers, which ultimately translates into higher housing prices for consumers.

On the other hand, standardized approval processes can help mitigate these risks by providing clear guidelines, reducing ambiguity, and fostering confidence for the applicant. One such example of increasing standardization, speed, and predictability in housing reviews comes from

⁴ HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports

⁵ Based on self-reported Annual Progress Report (APR) data provided by local governments to HCD for housing developments approved the year 2023. These timelines includes time where the applicant was responsible for responding to feedback or any corrections identified by the local government, so they are not entirely representative of the length of time that a local government spent reviewing any given development.

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

accessory dwelling units, or ADUs. In 2016, SB 1069 (Wieckowski), Chapter 720 and AB 2299 (Bloom) Chapter 735, permitted ADUs by right on all residentially-zoned parcels in the state. By permitting attached, detached, and JADUs on all single-family lots, these laws, among others, facilitated the construction of missing middle housing in exclusionary single-family neighborhoods.⁶ Since then, various pieces of legislation have been passed to establish statewide standards regarding ADU setbacks, height limits, square footage requirements, and other land use controls, regardless of the underlying zoning district. As a result, ADUs are now required to be reviewed within 60 days by local governments in a streamlined and ministerial fashion. This means that there are clear rules that apply to every residential parcel in the state, and if those rules are followed, your ADU proposal will be quickly approved.

Taken as a whole, ADU laws have established a fast, predictable, uniform, and enforceable process for the approval of ADUs statewide. These laws have transformed these units from being less than 1% of new construction before 2017 to now being approximately 20%, with over 23,000 new ADUs legally completed in 2023.⁷ The number of ADUs is expected to continue growing as the ADU construction and financing industry matures, which will help meet the market feasibility that is estimated to be approximately 1.8 million units in California.⁸ With thousands of ADUs being added every year, ADUs have already become an important part of the state's stock of new housing, with a growth potential that is not subject to the state's funding allocations.

This bill seeks to build off of the successes of standardization and predictability by applying them to standard housing units, not just ADUs, through a preapproved program.

Preapproved Plans: In an attempt to increase standardization and predictability in housing approvals, there has been increased interest at the state and local level in preapproved plans for housing development.

Building on the success of prior ADU laws, AB 1332 (Juan Carrillo), Chapter 759, Statutes of 2023, established a preapproved plan program for ADUs which this bill draws heavily from. Under AB 1332, local governments were required to develop a program for the preapproval of ADU plans by January 1, 2025. Under this program, anyone can submit plans for preapproval, and the local government must review them based on existing state ADU and building code standards. The local agency is allowed to charge the same permitting fees as they would for a regular ADU application to review submittals for ADUs requesting preapproval. Once approved, these plans must be posted on the local government's website, along with the applicant's contact information (though the agency isn't responsible for its accuracy). Applicants can also request their ADU plans be removed if they no longer wish to participate in the program. Local governments in California in the preapproved plan program, since the same ADU standards apply statewide. If someone submits an application for a detached ADU using a preapproved or previously approved plan from the current building code cycle, the local

⁶ https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/adu-handbook-update.pdf

⁷ Per HCDs "APR Dashboard" https://www.hcd.ca.gov/planning-and-community-development/housing-open-datatools/housing-element-implementation-and-apr-dashboard. Complete data for 2023 will be made available by June 30, 2024. This statistic relies on data pulled on May 28, 2024.

⁸ Monkonnen et al, 2020, *One to Four: The Market Potential of Fourplexes in California's Single-Family Neighborhoods*, UCLA Working Paper Series: https://www.lewis.ucla.edu/research/market-potential-fourplexes/

government must approve or deny the permit application within 30 days, without discretionary review. Because this program just went into effect on January 1, 2025, it is still too early to tell how successful or impactful it will be in terms of increasing ADU production.

More recently, the City of Los Angeles (LA) launched a local "Small Lots, Big Impact" initiative to encourage for-sale housing on small lots.⁹ Through this initiative, LA is hosting a design competition for designers to develop plans for multiple small-scale housing units on individual lots, with the winning designs eventually serving as pre-approved plans for all developers to use.¹⁰ The LA housing department anticipates that these pre-approved designs will be for one to three story developments ranging from fourplexes to 20 unit proposals.¹¹ LA anticipates that this program may help the Pacific Palisades neighborhood rebuild more quickly after thousands of homes were damaged or destroyed in January's Palisades fire.

This bill would build off of the precedent set by AB 1332 (Juan Carrillo) and would be similar to LA's preapproved plan initiative. It would take the language from AB 1332, establishing a local program for the preapproval of housing, but apply it to single-family and multi-family homes, rather than just ADUs. Under this bill, local governments would be required to set up a program for the preapproval of single-family and multi-family homes, and then expedite the approvals process for applicants who later want to use those preapproved designs by reviewing them within 30 days. As written, local governments would need to set up this program by January 1, 2026. As is the case in AB 1332, local governments would be allowed to charge the same permitting fees as they would for the standard approval of similar housing units to review these plans submitted for preapproval. Project applicants may then use these preapproved plans, or plans identical to them, when applying for housing developments of their own. This preapproved program may help to standardize and simplify the approvals process for homeowners and developers by increasing approvals certainty so long as they stick to the preapproved plans, and by expediting the approvals process.

It is important to note that the same rules apply for ADUs statewide, meaning that you can place a detached ADU meeting state standards on virtually any residential property. This easily lends themselves to a preapproved program. When it comes to standard housing units, there is more nuance when it comes to local zoning. For example, local governments may establish different minimum lot size requirements, density requirements, setbacks, lot coverage, floor area ratios, height limits, parking requirements, design standards, and other standards that vary from zoning district to zoning district. Furthermore, there are often existing, nonconforming, lots within a given zoning district, meaning that what works on one property might not necessarily work on another. This bill, as currently written, does not account for that nuance. The Committee may wish to further tailor this bill to better account for the nuance associated with various local zoning districts, giving the local governments more flexibility to ensure that they are only approving code-compliant projects. The Committee may also wish to refine this bill to acknowledge that different sites will have different conditions like soil conditions, topography, flood risk, and other varying factors that should be accounted for when considering a program for preapproval. Furthermore, this bill is set to take effect on January 1, 2026, which would be

 $^{^9\} https://www.latimes.com/california/story/2025-03-05/los-angeles-launches-effort-to-encourage-starter-homes-on-city-owned-vacant-lots$

¹⁰ IBID.

¹¹ IBID.

the effective date of this bill should it pass. The Committee may wish to consider providing local governments with more time to establish these preapproval programs.

Committee Amendments: The Committee may wish to consider the following amendments to section 65852.29 of this bill to provide local governments with more time to implement this bill, and to address the nuance associated with various local zoning districts and existing site conditions:

65852.29. (a) Each local agency shall, by January July 1, 2026, develop a program for the preapproval of single-family and multifamily residential housing plans. The program shall comply with all of the following:

(1) The local agency shall accept single-family and multifamily residential housing plan submissions *containing between 2 and 10 units* for preapproval.

(2) The local agency shall not restrict who may submitsingle family and multifamily residential housing plan submissions for preapproval.

 $(3\underline{2})$ (A) The local agency shall approve or deny the application for preapproval pursuant to the standards established in applicable state and local housing regulations.

(B) The local agency may charge the applicant the same permitting fees that the local agency would charge an applicant seeking approval for the same-sized single-family or multifamily residential housing unit in reviewing and approving a preapproved housing plan submission.

(43) (A) (i) Single-family and multifamily residential housing plans that are preapproved pursuant to this subdivision shall be posted on the local agency's internet website.

(ii) The posting of a preapproved housing plan pursuant to clause (i) shall not be considered an endorsement of the applicant or approval of the applicant's application for a Single-family or multifamily residential housing unit by the local agency.

(B) (i) The local agency shall also post the contact information of the applicant of a preapproved housing plan, as provided by the applicant.

(ii) The local agency shall not be responsible for the accuracy of the contact information posted pursuant to clause (i).

(C) A local agency shall remove a preapproved housing plan from their internet website within 30 days of receiving a request for removal from the applicant.

(54) A local agency may also admit plans that have been developed and preapproved by the local agency for single-family and multifamily residential housing plans into the program.

(5) Nothing in this section shall prevent a local agency from voluntarily accepting and admitting additional plans at higher densities in additional zoning districts into the preapproved housing plan program, at the local agency's discretion.

(b) A local agency shall approve or deny an application for a single-family or multifamily residential housing unit ministerially without discretionary review, except that the local agency shall either approve or deny the application within 30 days from the date the local agency

receives a completed application, if the application utilizes either of the following, <u>so long as the</u> <u>lot for which the application is proposed meets the soil conditions, topography, flood zone,</u> <u>zoning regulations, and design review standards for which the preapproved plan was designed,</u> <u>as applicable</u>:

(1) A plan for a single-family or multifamily residential housing unit that has been preapproved by the local agency within the current triennial California Building Standards Code rulemaking cycle.

(2) A plan that is identical to a plan used in an application for a single- or multifamily residential housing unit approved by the local agency within the current triennial California Building Standards Code rulemaking cycle.

(c) For purposes of this section, *the following definitions shall apply:*

(1) "single-family residential housing unit," <u>has the same meaning as that term is defined in</u> applicable housing regulations.

(2) "multifamily residential housing unit," <u>means a housing development proposal containing</u> between 2 and 10 residential units, as defined in applicable housing regulations.

(3) "local agency" means a city, county, or a city and county.

(d) The Legislature finds and declares that the lack of housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

Related Legislation:

AB 1332 (Juan Carrillo), Chapter 759, Statutes of 2023, established a similar preapproved plan program for ADUs.

Arguments in Support: The California Apartment Association writes in support: "One way to streamline new housing approvals is for local governments to have a program where developers can know ahead of time what plans that the jurisdiction will approve for a particular build. That is why preapproved housing plans are important. In 2023 a similar bill, AB 1332 (Carrillo, Juan), which required local governments to create a program for the preapproval of plans for accessory dwelling units (ADUs), was signed into law by the Governor. The goal of AB 1206 is to streamline the approval of single-family and multifamily housing approvals in a similar fashion as the successful ADU law."

Arguments in Opposition: The California Building Officials write in opposition: "Faster does not always mean better, and although working through the public process of permitting by a local jurisdiction can feel time-consuming, it ensures that overall building, life, and fire safety codes are followed holistically. While we understand that previous measures, such as AB 1332 (2024), have expedited small scale housing projects – those are different types of projects altogether. Applying the same standard to significantly larger construction projects in scope is not feasible given all of the other elements associated with plan check and approval – all in the name of sustainability and public safety."

Double Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Apartment Association

Opposition

California Building Officials

Oppose Unless Amended

League of California Cities

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085