Date of Hearing: April 9, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1026 (Wilson) – As Amended March 24, 2025

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

SUMMARY: Establishes specific timeframes and requirements for investor-owned utilities (IOUs), involved in postentitlement permitting for housing development proposals. Specifically, **this bill**:

1) Deletes the exemption for IOUs from established statewide postentitlement permitting timelines and adds electrical corporations to the definition of a "local agency" for purposes of postentitlement permit issuance. In doing so, this bill:

   a) Requires an IOU to compile one or more lists of information that will be required from any applicant for a postentitlement phase permit;

   b) Allows IOUs to revise the lists specified in 1)a), above, however, any revised list cannot apply to any permits pending review;

   c) Requires IOUs to 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 IOUs' website by January 1, 2024;

   d) Requires IOUs 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 IOU received the application, as follows:

      i) If an IOU determines an application is incomplete, the IOU 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;

      ii) 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 IOU. Upon receipt of a corrected application, the IOU must notify the applicant whether the additional application has remedied all incomplete items within 15 business days; and

      iii) If an IOU 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.

   e) Specifies a process for approving postentitlement permits, as follows:

      i) Requires IOUs 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:

(1) Thirty business days of the application being complete for housing development projects with 25 units or fewer; or

(2) Sixty business days of the application being complete for housing development projects with 26 units or more.

ii) Provides that the time limits in (e)(i) do not apply if the IOU 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;

iii) Tolls the time limits for approval in (e)(i) if the IOU requires review of the application by an outside entity, as specified;

iv) If an IOU finds that a complete application is noncompliant, the IOU 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; and

v) Requires IOUs to establish an appeals process. If an applicant appeals, the IOU must make a final determination within:

(1) Sixty business days of the appeal for a project of 25 units or fewer; or

(2) Ninety business days of the appeal for a project of 26 units or more.

f) Provides that failure to meet the time limits in this bill constitutes a violation of the Housing Accountability Act (HAA).

g) Allows extension of any of the time limits upon mutual agreement by the IOU and the applicant. However, an IOU 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.

h) Allows IOUs to provide any amount of feedback to, or request any amount of revisions from, an applicant.

EXISTING LAW:

1) Defines “local agency” as any county, city, or city and county. (GOV 65913.3)

2) 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. (GOV 65913.3)

3) 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. (GOV 65913.3)

4) Allows the local agency to revise the lists specified in (2), however, any revised list cannot apply to any permits pending review. (GOV 65913.3)

5) 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. (GOV 65913.3)

6) 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. (GOV 65913.3)

7) 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. (GOV 65913.3)

8) Provides that failure to meet the time limits in this bill constitutes a violation of the Housing Accountability Act (HAA). (GOV 65913.3)

9) 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. (GOV 65913.3)

10) Allows a local agency to provide any amount of feedback to, or request any amount of revisions from, an applicant. (GOV 65913.3)

FISCAL EFFECT: None.

COMMENTS:

Author's Statement: According to the author, "California's housing crisis demands action—not just in building new homes, but in removing unnecessary roadblocks that slow down production. Too often, housing developments that have already been approved face excessive delays in the utility connection process, leaving new units unoccupied and driving up costs for developers and future residents. These delays are not only frustrating, but they also contribute to California's housing shortage by making it harder to get projects completed on time. AB 1026 addresses this issue by requiring investor-owned utility companies to adhere to clear, standardized timelines for reviewing applications, ensuring transparency and accountability in the process. By streamlining

utility connections, this bill will help get housing projects across the finish line faster—meaning more Californians will get into homes sooner."

Housing Approval Process: The process to gain approval to build new housing in California is often arduous, unpredictable, and expensive. A 2025 study found that California is the most expensive state for multifamily housing production, in part due to the long timeline it takes to go from an application to an approved project.[1] This report found that longer production timelines are strongly associated with higher costs, and the time to bring a project to completion in California is more than 22 months longer than the average time required in Texas.[2]

The Department of Housing and Community Development (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 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.[3]

In order to build housing in California, developers must seek approval from various levels of government, as well as, often, investor owned utilities, or IOUs. The process starts at the local level, through the entitlement and permitting process. 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 complies 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. Over the years, the Legislature has passed many bills to address delays both in the local entitlement and postentitlement process. However, in 2023, the average local approval time, inclusive of the entitlement and postentitlement stage, for a single-family home in California was 10 months, while approvals for apartment projects with five or more units took an average of 23 months.[4]

Various state departments also play a role in housing approvals. For example, the California Coastal Commission oversees development within the coastal zone and sometimes issues Coastal Development Permits (CDPs), ensuring projects comply with environmental protections and

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[1] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[2] https://www.rand.org/pubs/research_reports/RRA3743-1.html
[3] HCD San Francisco Policy & Practice Review, Page 13. Published October 2023. Accessed from: https://www.hcd.ca.gov/policy-and-research/plans-and-reports
[4] 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

public access requirements. The Department of Toxic Substances Control (DTSC) oversees the remediation of contaminated sites, ensuring that housing developments on former industrial or hazardous sites meet environmental safety standards before approval. 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. AB 301 (Schiavo), of this session, would impose the same postentitlement timeframes on state agencies that local governments are subject to.

And lastly, IOUs play a critical role in the housing approval process, but delays in their application review and service connection timelines can significantly slow down development. Companies like Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) are responsible for ensuring new housing projects have access to electricity and natural gas. However, while recent legislation has established review timelines for cities, counties, and special districts, no clear "shot clock" exists for utility application processing, leading to unpredictability and delays. Though SB 410 (Becker), Chapter 394, Statutes of 2023 and AB 50 (Wood, 2023), Chapter 317, Statutes of 2023 addressed delays in energization timelines, they did not set standards or timelines for the application phase, leaving developers uncertain about when service requests will be approved. Establishing clear timelines for this process, as proposed by this bill, could provide much-needed predictability and help expedite housing development.

AB 2234 (R. Rivas): AB 2234 (Rivas), Chapter 651, Statutes of 2022, established clear timelines and review standards for local governments processing postentitlement phase permits, as follows:

- Deemed Complete Timeframe: Local governments must determine application completeness within 15 business days of receipt;
- Substantive Review Timeframe: Local governments 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.

Furthermore, AB 2234 requires local governments to prepare lists specifying required application materials and post examples of approved permits. It also establishes strict timelines and procedures that must be followed to appeal decisions made on postentitlement permits. If a local government violates the timelines stipulated in AB 2234, it is considered a violation of the Housing Accountability Act (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.

Developers commonly cite delays in IOUs processing utility applications as complicating factors in the housing approvals process. This bill would apply the aforementioned postentitlement provisions established in AB 2234 for local governments to IOUs. In doing so, this bill would provide homebuilders with more certainty and address a critical postentitlement delay that homebuilders face. While certain provisions in AB 2234, such as the clear application processing timelines and predictable standards requirements, translate well to the review and approval of utility service requests by IOUs, other provisions of AB 2234 may need to be refined in order to work for IOUs. For example, this bill would apply deadlines to IOUs that have already passed, require them to post five types of approved housing projects in each jurisdiction, and would establish provisions for time tolling for outside reviews which may not apply to IOUs. As such, the Committee may wish to consider amending the bill to move it to its own code section and clarify these inconsistencies with the existing provisions of AB 2234.

Committee Amendments: The Committee may wish to consider the following amendments, which would move the provisions of this bill out of GOV 65913.3 and into their own code section, and to clarify inconsistencies with the existing provisions of AB 2234 (Rivas) as they apply to reviews done by IOUs.

1) Deleting all provisions of the bill; and
2) Adding Section 65913.3.2 to GOV, as follows:

SECTION 1. Section 65913.3.2 is added to the Government Code, to read:

65913.3.2. (a) (1) An electrical corporation shall compile one or more lists that shall specify in detail the information that will be required from any applicant for a postentitlement phase permit. The local agency may revise the lists of information required from an applicant. Any revised list shall not apply to any permit pending review.

(2) An electrical corporation shall post an example of a complete, approved application and an example of a complete set of postentitlement phase permits for a housing development project.

(3) An electrical corporation shall make the items required by paragraphs (1) and (2) available on it's internet website no later than July 1, 2026.

(b) (1) (A) An electrical corporation shall determine whether an application for a postentitlement phase permit is complete and provide written notice of this determination to the applicant not later than 15 business days after the electrical corporation received the application.

(B) If the electrical corporation determines an application is incomplete, the electrical corporation shall provide the applicant with a list of incomplete items and a description of how the application can be made complete. The list shall be limited to incomplete items that are included on the lists required by paragraph (1) of subdivision (a). The list and description shall be provided with the written notice required by subparagraph (A).

(2) (A) 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 electrical corporation.

(B) In the review of an application submitted pursuant to subparagraph (A), the electrical corporation shall not require the application to include an item that was not included in the list required by subparagraph (B) of paragraph (1).

(C) If an applicant submits an application pursuant to subparagraph (A), the electrical corporation shall determine whether the additional application has remedied all incomplete items listed in the determination issued pursuant to subparagraph (B) of paragraph (1). This additional application is subject to the timelines and requirements specified in subparagraph (A) of paragraph (1).

(3) If an electrical corporation does not make a timely determination as required by paragraph (1) or (2) and the application or resubmitted application states that it is for a postentitlement phase permit, the application or resubmitted application shall be deemed to be complete for the purposes of this chapter.

(c) (1) (A) For housing development projects with 25 units or fewer, an electrical corporation shall complete the review and do either of the following:

(i) If the electrical corporation determines that the complete application is not compliant with the permit standards, return in writing a full set of comments to the applicant with a comprehensive request for revisions.

(ii) If the electrical corporation determines that the complete application is compliant with the permit standards, return the approved permit application on each postentitlement phase permit requested.

(B) The electrical corporation shall immediately transmit that determination to the applicant by electronic mail and, if applicable, by posting the response on its internet website not later than 30 business days after the electrical corporation determines that an application for a postentitlement phase permit is complete pursuant to subdivision (b).

(2) (A) For housing development projects with 26 units or more, an electrical corporation shall complete the review and do either of the following:

(i) If the electrical corporation determines that the complete application is not compliant with the permit standards, return in writing a full set of comments to the applicant with a comprehensive request for revisions.

(ii) If the electrical corporation determines that the complete application is compliant with the permit standards, return the approved permit application on each postentitlement phase permit requested.

(B) The electrical corporation shall immediately transmit that determination to the applicant by electronic mail and, if applicable, by posting the response on its internet website not later than 60 business days after the electrical corporation determines that an application for a postentitlement phase permit is complete pursuant to subdivision (b).

(3) If the electrical corporation requires review of the application by an outside entity, the time limits in this subdivision shall be tolled until the outside entity completes the review and returns the application to the electrical corporation, at which point the electrical corporation shall

complete the review within the time remaining under the time limit, provided that the electrical corporation notifies the applicant within three business days by electronic mail and, if applicable, by posting the notification on its internet website of the tolling and resumption of the time limit.

(d) (1) If an electrical corporation finds that a complete application is noncompliant, the electrical corporation shall 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 time limits specified in subdivision (c).

(2) The electrical corporation shall provide the list and description authorized by paragraph (1) when it transmits its determination to the applicant as required by subdivision (c).

(3) If an electrical corporation denies a postentitlement phase permit application based on a determination that the application is noncompliant, the applicant may attempt to remedy the application.

(4) If an applicant submits an application pursuant to paragraph (3), the additional application is subject to the timelines of a new application as specified in subdivision (c).

(e) (1) If a postentitlement phase permit is determined to be incomplete under subdivision (b) or denied or determined to be noncompliant under subdivision (c) or (d), the electrical corporation shall provide a process for the applicant to appeal that decision.

(2) (A) With respect to a postentitlement phase permit concerning housing development projects with 25 units or fewer, an electrical corporation on the appeal shall provide a final written determination by not later than 60 business days after receipt of the applicant's written appeal.

(B) With respect to a postentitlement phase permit concerning housing development projects with 26 units or more, an electrical corporation on the appeal shall provide a final written determination by not later than 90 business days after receipt of the applicant's written appeal.

(f) If an electrical corporation fails to meet the time limits in this section, it shall be in violation of Section 65589.5.

(g) This section does not place limitations on the amount of feedback that an electrical corporation may provide or revisions that an electrical corporation may request of an applicant.

(h) This section does not preclude an applicant and an electrical corporation from mutually agreeing to an extension of any time limit provided by this section. However, an electrical corporation shall not require an agreement as a condition of accepting the application for, or processing of, a postentitlement phase permit, unless the agreement is obtained for the purpose of permitting concurrent processing of related approvals or an environmental review on the same housing development project.

(i) For purposes of this section, the following definitions apply:

(1) "Electrical corporation" has the same meaning as in Section 218 of the Public Utilities Code.

(2) "Housing development project" has the same meaning as in paragraph (3) of subdivision (b) of Section 65905.5.

(3) (A) "Postentitlement phase permit" includes both of the following:

(i) All nondiscretionary permits and reviews that are required or issued by the electrical corporation after the entitlement process has been completed to begin construction of a development that is intended to be at least two-thirds residential, excluding discretionary and ministerial planning permits, entitlements, and other permits and reviews that are covered under Chapter 4.5 (commencing with Section 65920). A postentitlement phase permit includes, but is not limited to, all of the following:

(I) Building permits, and all interdepartmental review required for the issuance of a building permit.

(II) Permits for minor or standard off-site improvements.

(III) Permits for demolition.

(IV) Permits for minor or standard excavation and grading.

(ii) All building permits and other permits issued under the California Building Standards Code (Title 24 of the California Code of Regulations) or any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary.

(B) An electrical corporation may identify a threshold for determining whether a permit constitutes a "minor" or "standard" permit for the purposes of this paragraph, which shall be supported by written findings.

(C) A postentitlement phase permit does not include a permit required and issued by the California Coastal Commission, a special district, or any other entity that is not a city, county, or city and county.

Arguments in Support: According to the Housing Action Coalition, the bill sponsor, "though the average accepted wait time for utility connection following application approval is expected to vary depending on project size and other circumstances (i.e., natural disasters), developers have reported delays far exceeding an acceptable timeline – making their projects much harder to finance and delaying the speed at which units can be occupied.

AB 1026 seeks to address this issue by requiring investor-owned utility companies to comply with post-entitlement application review provisions found in the Housing Accountability Act (Government Code Section 65913.3), including preparing specified application lists and coordinating with local agencies to ensure materials needed from the utility company are clear at the time of application. This bill will bring parity to the post-entitlement permitting process, incentivize faster timelines in the energization process, and allow units to be occupied more quickly."

Arguments in Opposition: None on file.

Related Legislation:

AB 301 (Schiavo) of this Legislative session would apply the same postentitlement timelines and provisions established in AB 2234 (Rivas) to state departments involved in the housing approvals process. This bill passed out of the Assembly floor and is pending referral in the Senate.

SB 410 (Becker), Chapter 394, Statutes of 2023, required the Public Utilities Commission (PUC) to establish average and maximum target energization time periods, as defined, and a procedure for customers to report energization delays to the PUC.

AB 50 (Wood), Chapter 317, Statutes of 2023 required the PUC to determine the criteria for timely service for electric customers to be energized, including, among other things, categories of timely electric service through energization.

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

Double-referred: This bill was also referred to the Assembly Committee on Utilities and Energy where it will be heard should it pass out of this Committee

REGISTERED SUPPORT / OPPOSITION:

Support

Housing Action Coalition (Sponsor)
Abundant Housing LA
California Building Industry Association (CBIA)
California YIMBY
Circulate San Diego
East Bay YIMBY
Grow the Richmond
Habitat for Humanity Greater San Francisco
Housing California
MidPen Housing Corporation
Mountain View YIMBY
Napa-Solano for Everyone
Northern Neighbors
Peninsula for Everyone
Santa Cruz YIMBY
Santa Rosa YIMBY
SF YIMBY
South Bay YIMBY
The Two Hundred
Ventura County YIMBY
YIMBY Action
YIMBY LA
YIMBY SLO

Opposition

None on file

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