Date of Hearing: April 9, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 1276 (Carrillo) – As Amended March 24, 2025

SUBJECT: Housing developments: ordinances, policies, and standards

SUMMARY: Expands the list of objective ordinances, policies, and standards that can be vested through SB 330 (Skinner), Chapter 654, Statutes of 2019, and applies a "reasonable person" standard to state and regional agencies involved in housing development reviews. Specifically, **this bill**:

1) Applies a "reasonable person" standard to reviews of housing development projects and emergency shelters by all public agencies, including the state, local governments, regional agencies, public districts, redevelopment agencies, or other political subdivisions, by deeming such projects consistent with applicable plans or requirements if substantial evidence exists that would allow a reasonable person to reach that conclusion.

2) Adds the following items to the list of "ordinances, policies, and standards" that are "vested" through the Housing Accountability Act (HAA) once a developer submits a complete application within 180 days of a preliminary application:

   a) Postentitlement permit standards;

   b) Materials requirements associated with subdivisions;

   c) Any rules, regulations, determinations, and other requirements adopted or implemented by other public agencies, such as state and regional governments.

3) Applies to all cities, including charter cities.

EXISTING LAW:

1) Prohibits local governments from denying, making infeasible, or reducing the density of housing developments that comply with objective standards, unless specific written findings based on health, safety, or state/federal law conflicts are made. (Government Code (GOV) 65589.5)

2) Applies a "reasonable person" standard to housing development projects reviewed by local agencies. (GOV 65589.5)

3) Establishes the Housing Crisis Act as part of the Housing Accountability Act (HAA) for urbanized and affected jurisdictions, with the following provisions:

   a) Establishes a preliminary application process that allows developers to lock in, aka "vest" objective zoning, design, and subdivision standards in place at the time of the submission date. (GOV 65941.1, 65589.5)

   b) Requires that housing projects be evaluated based on objective general plan, zoning, subdivision, and design standards in place at the time of the application. Objective

standards must be verifiable based on measurable criteria and not subject to subjective interpretation. (GOV 65941.1, 65589.5)

c) Defines "ordinances, policies, and standards" as objective requirements that are uniformly verifiable by reference to external and available criteria. These include:

   i) General plans;

   ii) Community plans;

   iii) Specific plan;

   iv) Zoning;

   v) Design review standards and criteria;

   vi) Subdivision standards and criteria; and

   vii) Any other rules, regulations, requirements, and policies of a local agency, including:

      (1) Development impact fees;

      (2) Capacity or connection fees or charges;

      (3) Permit or processing fees; and

      (4) Other exactions (GOV 65589.5)

d) Prevents local agencies from applying new ordinances, policies, or standards adopted after the preliminary application is submitted. (GOV 65941.1, 65589.5)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California's housing crisis has left too many without a home, struggling to afford rent, and unable to achieve homeownership. Yet, delays, regulatory barriers, and inconsistent permitting rules are making it harder and more expensive to build the housing we desperately need. Right now, it not only slows development but also discourages new housing altogether, pushing investment to states with a more predictable process.

AB 1276 strengthens SB 330's (2019) vesting protections to ensure housing projects aren't subject to regulatory changes at the state and regional agency level after a preliminary application is submitted—except in cases concerning health, safety, or environmental mitigation. By reducing uncertainty and reinforcing clear, predictable standards, AB 1276 will help create a more predictable path for housing development that lowers costs, speeds up construction, expands affordable housing and homeownership, and supports sustainable, community-focused growth."

The Housing Approvals Process – Standards Vesting: The process of gaining approval to build new housing in California can be 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 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. 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. While local governments are primarily responsible for approving housing developments within their jurisdiction, various state and regional departments may also play a role, depending on the project scope and location.

Navigating through the various stages of housing approval requires developers to invest time and resources early in the development process. 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]

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 SB 330 (Skinner), Chapter 654, Statutes of 2019, which amended the established a process through which developers seeking to build housing could "vest" their projects. Under existing law, an applicant files a preliminary application to build housing, with specified project information, and then has 180 days, or approximately 6 months, to file a "complete application." If the developer files a complete application in time, the housing development gains vested rights to proceed under the rules that were in effect when the preliminary application was submitted. These rights include the vesting of objective standards such as general plans, community plans, specific plans, zoning ordinances, design review standards, subdivision standards, and any other rules, regulations, requirements, and policies of a local agency. There are some exceptions that allow new regulations to be applied in cases of health and safety concerns or to mitigate significant CEQA environmental impacts. However, SB 330 only applies to local agencies.

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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

This bill would expand the list of objective standards that can be "vested" under SB 330, to include the following:

1) Postentitlement permit standards;

2) Materials requirements associated with subdivisions; and

3) Any rules, regulations, determinations, and other requirements adopted or implemented by other public agencies, such as state and regional governments.

In doing so, it would provide increased certainty to homebuilders, ensuring that the project goalposts don't move even for housing projects that receive vesting under SB 330. Under this bill, housing projects would be protected from changes to, for example, municipal storm water requirements controlled by Regional Water Quality Boards, local grading ordinances, State Water Quality Control Board/Department of Toxic Substances Control Vapor Intrusion Thresholds, and Metropolitan Planning Organization Sustainable Community Strategies. Any newly implemented standards would still apply to housing projects that file preliminary applications after their implementation, but would not apply to projects that are vested before the standards change. This may help facilitate the construction of more housing at all income levels and expedite approvals for housing units in the pipeline, without subjecting them to various changes in standards along the way.

AB 1515 - Reasonable Person Standard: Under the HAA, housing projects are analyzed for consistency with governmental agencies' adopted plans (e.g., general plans and zoning codes). Previously, courts fully deferred to regulatory agencies in determining project consistency, allowing agencies to block or extract significant concessions from projects by declaring them inconsistent with adopted plans, even if it would have been reasonable for the agency to have found the project consistent.

In 2017, the HAA was amended by AB 1515 (Daly), Chapter 368, Statutes of 2017, to apply a "reasonable person" standard to local agencies. The reasonable person standard in the HAA prohibits local agencies from denying or conditioning a housing project based on subjective interpretations of local regulations. If substantial evidence exists such that a reasonable person could determine a project is consistent with applicable plans or zoning, it must be deemed consistent as a matter of law, regardless of the agency's decision. If a local agency reaches a different conclusion than a reasonable person would, based on the evidence, its decision is legally vulnerable and may be overturned in court. Courts are not required to defer to the agency's interpretation and can mandate project approval if the evidence supports consistency. This standard prevents agencies from using broad discretion to block or significantly alter projects, ensuring that housing approvals are based on objective, fact-based criteria rather than political or community opposition.

This bill would apply that same "reasonable person" standard to "public agencies," meaning any state agency, any county, city and county, city, regional agency, public district, redevelopment agency, or other political subdivision. For housing development proposals, this would effectively apply the same standard that local governments are already subject to, to state and regional governments, helping to promote fairness, objectivity, and consistency in the decision-making process.

Related Legislation:

SB 330 (Skinner), Chapter 654, Statutes of 2019, defined previously undefined terms such as objective standards and complete application in the HAA and set forth vesting rights for projects that use a new pre-application process.

AB 1515 (Daly), Chapter 368, Statutes of 2017, establishes a reasonable person standard for determining conformance with local land use requirements.

Arguments in Support: The California Building Industry Association, the bill co-sponsor, writes in support: "California continues to face a significant housing shortage, driven in large part by unpredictable and lengthy approval processes. While SB 330 was instrumental in securing regulatory certainty at the local level, housing projects remain vulnerable to changes in state and regional agency regulations, which can cause costly delays or even render projects infeasible. AB 1276 directly addresses these challenges by extending SB 330's vesting protections to include state and regional agencies, ensuring that housing projects are not subject to shifting regulatory requirements after a preliminary application has been submitted.

Additionally, AB 1276 expands the application of the 'reasonable person' standard under the Housing Accountability Act (HAA) to state and regional agencies. This important provision ensures that if substantial evidence exists to support a finding of project consistency with an applicable regulatory plan, the project is deemed consistent as a matter of law. By applying this objective standard beyond local agencies, AB 1276 further reduces arbitrary decision-making that could otherwise hinder housing production."

Arguments in Opposition: None on file.

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 Building Industry Association (Sponsor)
Abundant Housing LA
BOMA California
California Association of Realtors
California Business Properties Association
California Business Roundtable
California Community Builders
California YIMBY
Circulate San Diego
NAIOP California
San Diego Housing Commission
Southern California Leadership Council
SPUR
The Two Hundred

Opposition

None on file.

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