Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 484 (Laird) – As Amended June 25, 2025

SENATE VOTE: 37-0

SUBJECT: Coastal resources: coastal development permits: infill area categorical exclusion

SUMMARY: Requires the California Coastal Commission (CCC), in consultation with the Department of Housing and Community Development (HCD), by July 1, 2027, to identify infill areas within at least three local jurisdictions that do not have a certified local coastal program (LCP) for a categorical exclusion from the coastal development permitting (CDP) requirement for deed-restricted affordable housing developments. Specifically, **this bill**:

1) Requires the CCC, on or before July 1, 2027, to identify infill areas within three local jurisdictions that do not have a certified LCP for categorical exclusion from CDP requirements if the development is a residential housing project comprised entirely of units that are deed-restricted affordable for very low-, low-, or moderate-income households.

2) Sunsets the categorical exclusion June 30, 2037, or when a LCP is certified in the selected jurisdictions.

3) Requires each of the areas identified by the CCC for the provisions of this bill to be effective upon a 2/3 vote of the CCC, as specified.

4) Requires the CCC, in consultation with HCD, to do both of the following when identifying categorical exclusion areas:

    a) Select jurisdictions located in various regions of the coast; and

    b) Select jurisdictions that vary in size from one another.

5) Further requires the CCC, in consultation with HCD, to do the following when identifying categorical exclusion infill areas:

    a) Identify the largest feasible categorical exclusion areas;

    b) Ensure the areas affirmatively further fair housing (AFFH);

    c) Consider each selected jurisdiction's inventory of sites in its housing element; and

    d) Avoid sites that are projected to be impacted by sea level rise and associated coastal hazards.

6) Provides that nothing in this bill exempts a qualifying residential housing project proposed in a categorical exclusion area from obtaining a land use entitlement approval otherwise required by the local jurisdiction.

7) Requires a development proponent, prior to beginning construction of a proposed residential housing project subject to the categorical exclusion described in 1), to request from the CCC a notice of exclusion, and requires the CCC to provide that exclusion, as specified.

8) Requires the CCC to post clearly defined maps of the categorical exclusion areas established pursuant to this bill on its internet website on or before August 1, 2027.

9) Requires the CCC, on or before January 1, 2035, to submit a legislative report identifying the number of projects constructed or currently under construction that received the categorical exclusion described in 1), as provided.

EXISTING LAW:

1) States the intent of the Legislature in enacting Housing Element Law to assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goals, and to assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of state housing goals. (Government Code (GOV) 65581)

2) Requires the housing element of the general plan to consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Requires the housing element to identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. (GOV 65583)

3) Defines "affirmatively furthering fair housing" as taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, AFFH means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to AFFH extends to all of a public agency's activities and programs relating to housing and community development. (GOV 8899.50)

4) Pursuant to the California Coastal Act of 1976 (Coastal Act):

   a) Regulates development in the coastal zone and requires a new development to comply with specified requirements. (Public Resources Code (PRC) 30000)

   b) Defines "development" to mean, among other things, the placement or erection of any solid material or structure on land or in water. "Structure" includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line. (PRC 30106)

   c) Requires each local government lying, in whole or in part, within the coastal zone to prepare a LCP for that portion of the coastal zone within its jurisdiction. Authorizes any

local government to request, in writing, the CCC to prepare an LCP or a portion thereof, for the local government. (PRC 30500)

d) Requires, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, any person wishing to perform or undertake any development in the coastal zone, other than specified facilities, to obtain a CDP. (PRC 30600)

e) Requires, prior to certification of a LCP, a CDP to be obtained from the CCC or from a local government, as provided. Requires, after certification of a LCP, a CDP to be obtained from the local government.

f) Clarifies that LCP updates, for local governments in the coastal zone, shall be completed in the same period required for the completion of rezones as part of the rezone program in the housing element. (PRC 30603)

g) Establishes exemptions from CDP requirements, including any category of development, or any category of development within a specifically defined geographic area, that the Commission, after public hearing, and by two-thirds vote of its appointed members, has described or identified and with respect to which the Commission has found that there is no potential for any significant adverse effect, either individually or cumulatively, on coastal resources or on public access to, or along, the coast and, where the exclusion precedes certification of the applicable LCP that the exclusion will not impair the ability of local government to prepare a LCP. (PRC 30610)

FISCAL EFFECT: Unknown

COMMENTS:

Author's Statement: According to the author, "California is facing a critical housing shortage, and affordability is a greater challenge on the coast where two-thirds of California's population resides. Thoughtful and sustainable development can take place on our coast without compromising the integrity of the Coastal Act or the preservation of our coastline and coastal resources.

Senate Bill 484 introduces a pilot program in three coastal jurisdictions that lack a certified local coastal program (LCP), directing the Coastal Commission to identify infill areas where 100% affordable housing can be developed without the need for a coastal development permit. This bill is limited to areas where the Coastal Commission is the permitting authority for development because there is not an approved LCP, thereby retaining local control for the jurisdictions that have certified LCPs.

Senate Bill 484 harmonizes the urgent need for affordable housing with the principles established by voters when they created the Coastal Commission. By leveraging the Commission's existing authority to establish categorical exemptions for certain types of development, SB 484 requires the Coastal Commission to streamline 100% affordable housing development within infill areas in limited parts of our coast, ensuring that both affordable housing and environmental protections are prioritized."

California's Housing Crisis: California's housing crisis is a half-century in the making. [1] After decades of underproduction, supply is far behind demand, 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. [2] One in three households in the state doesn't earn enough money to meet their basic needs. [3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

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) 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.[5] Increasing the overall supply of housing, both market-rate and deed-restricted affordable, is essential to reducing upward pressure on rents and home prices, and to creating a more stable, accessible housing market for Californians across income levels.

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6]

In the Coastal Zone, this housing crisis is particularly acute. According to a 2023 analysis by the Legislative Analyst's Office, "while many factors have a role in driving California's high housing costs, the most important is the significant shortage of housing, particularly within urban coastal communities. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition increases home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well."[7]

California's Coastal Zone: In 1976, the Legislature enacted the California Coastal Act, which mandates that coastal counties manage the conservation and development of coastal resources through a comprehensive planning and regulatory framework. The boundaries of the Coastal Zone are defined in the Public Resources Code. In ecologically significant areas, such as estuaries, habitats, and recreational zones, the Coastal Zone can extend inland to the first major ridgeline paralleling the sea or up to five miles from the mean high tide line, whichever is less. In more developed urban areas, the Coastal Zone typically extends inland less than 1,000 yards. The Coastal Zone explicitly excludes the jurisdiction of the San Francisco Bay Conservation and

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[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] IBID.
[3] IBID.
[4] 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
[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025
[7] Legislative Analyst's Office, California's Housing and Homelessness Challenges in Context (February 27, 2023), page 2, available at https://lao.ca.gov/handouts/socservices/2023/Housing-and-Homelessness-Challenges-020623.pdf.

Development Commission and any areas contiguous to it, including rivers, streams, tributaries, and flood control channels.

California's coast is a vital natural and social resource. However, not all of the Coastal Zone is composed of environmentally sensitive areas. Much of it includes developed urban neighborhoods, including affluent, high-opportunity communities, where housing scarcity is especially acute.

Development in the Coastal Zone: The process of securing approvals for new housing throughout California is often lengthy, unpredictable, and costly. A 2025 study found that California is the most expensive state in the nation for multifamily housing production, in part due to prolonged timelines between application submittal and project approval.[8] 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.[9]

HCD identifies lengthy permit processing timelines and procedures as a governmental constraint to housing development. In its *San Francisco Housing Policy and Practice Review*, HCD found that complex entitlement and permitting processes not only discourage new developers from entering the market, but can also cause existing developers to exit high-barrier jurisdictions in favor of those with simpler procedures. [10] Bureaucratic delays can result in project abandonment, further constraining the state's housing supply.

Housing development projects in the Coastal Zone face additional layers of review and uncertainty. Each coastal jurisdiction must develop its own LCP, which must be certified by the CCC. Once certified, the LCP governs land use within the Coastal Zone, including whether a CDP is required. Most development in the Coastal Zone must obtain a CDP in addition to any required local land use entitlements. These CDPs often add time and cost to the process. In areas with a certified LCP, the local government conducts the CDP review. However, even when the local government grants the permit, CDP decisions are appealable to the CCC if the development falls within certain defined zones. In areas without a certified LCP, the CCC retains approval authority for CDPs.

This layered approval structure presents particular challenges for developers pursuing denser, multifamily housing in the Coastal Zone. Common barriers to development in the Coastal Zone include high land costs, a scarcity of sites zoned for multifamily use, strong local opposition, and regulatory uncertainty. These issues are especially acute for developers of 100% affordable housing, who must assemble multiple funding sources and meet numerous regulatory requirements to make a project financially viable. According to statewide affordable housing organizations, many affordable developers avoid the Coastal Zone altogether due to the unpredictability of the permitting process. Delays can jeopardize funding applications and threaten the overall feasibility of these projects.

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

CDP Categorical Exemptions and Proposed Pilot Program. Under current law, the CCC may establish categorical exclusions from CDP requirements for specific classes of development that the CCC determines, following a public hearing and a 2/3 vote of its appointed members, will not have a significant adverse effect on coastal resources or public coastal access. These exclusions must not impair a local government's ability to prepare a LCP and typically apply in areas without a certified LCP.

This bill establishes a pilot program designed to streamline the approval of affordable housing in certain areas of the Coastal Zone by leveraging the CCC's existing authority to issue categorical exclusions from CDP requirements. Specifically, by July 1, 2027, the CCC, in consultation with the HCD, must identify infill areas within at least three local jurisdictions that currently lack a certified LCP. In those areas, residential housing projects comprised entirely of deed-restricted units for very low-, low-, or moderate-income households (excluding managers' units) may be categorically excluded from CDP requirements.

The categorical exclusions would remain in effect until June 30, 2037, unless the applicable LCP is certified before that date, at which point the exclusion would no longer apply in that jurisdiction. The Commission, again in consultation with HCD, must ensure geographic and demographic diversity in selecting the pilot jurisdictions, including:

- Selecting jurisdictions located in different coastal regions and with varying population sizes;
- Identifying the largest feasible categorical exclusion areas;
- Ensuring the areas affirmatively further fair housing (AFFH);
- Considering each jurisdiction's housing element sites inventory; and
- Avoiding areas projected to be impacted by sea level rise and associated coastal hazards.

Although qualifying projects would be exempt from CDP requirements, they would still be subject to local land use approvals. Additionally, before construction, project proponents must request and receive a "notice of exclusion" from the CCC confirming that the project qualifies for the categorical exemption. The CCC must publish clearly defined maps of the selected exclusion areas by August 1, 2027, and report to the Legislature by January 1, 2035, on the number of exempt projects constructed or under construction.

Arguments in Support: The California Coastal Commission writes in support: "[Categorical exemptions] (CatXs) are not a new feature of the Coastal Act. The Commission and local governments have used them in in the past to facilitate important types of development in areas where construction will not impact coastal resources or public coastal access. SB 484 would pilot a new use for CatXs by having the Commission establish them specifically for the purpose of promoting affordable housing in uncertified areas of the coastal zone.

There is a strong policy rationale for the bill's focus on uncertified jurisdictions and on 100% affordable housing projects. Of the 76 local governments located in the coastal zone, there are 12 cities that remain uncertified. Given that these cities do not have LCPs, the Commission is still in charge of coastal permitting in these portions of the coastal zone. By establishing CatXs in these areas, the Commission would simply be excluding affordable housing projects from its own jurisdiction. Thus, the CatXs required by the bill would not affect the relevant local government's land use authority or any other permits that a local government issues for affordable housing projects."

Arguments in Opposition: None on file.

Related Legislation:

AB 462 (Lowenthal) of this legislative session would place CDP reviews for ADUs on a 60-day timeframe and remove the ability for ADU CDPs to be appealed to the CCC. AB 462 is pending in the Senate Committee on Housing.

Double-Referred: This bill was double-referred to the Assembly Committee on Natural Resources, where it passed on a vote of 14-0 on June 23, 2025.

REGISTERED SUPPORT / OPPOSITION:

Support

Audobon California
Azul
Black Surfers
California Apartment Association
California Coastal Commission
California Coastal Protection Network
California Housing Partnership
California Institute for Biodiversity
California Marine Sanctuary Foundation
CAUSE
Center for Biological Diversity
Coastal Environmental Rights Foundation
Defenders of Wildlife
Endangered Habitats League
Environmental Action Committee of West Marin
Environmental Protection Information Center
Green Foothills
Housing California
Los Angeles Waterkeeper
Los Cerritos Wetlands Land Trust
MidPen Housing Corporation
National Parks Conservation Association
Natural Heritage Institute
Nature Conservancy; the
NRDC
Orange County Coastkeeper
Planning and Conservation League
Protect San Antonio Valley
Salted Roots
Surfrider Foundation
Turtle Island Restoration Network

Opposition

None on file.

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