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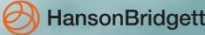
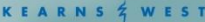
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THE ABUNDANCE AGENDA AND MOVING CALIFORNIA FORWARD

SEPTEMBER 10 12 - 1:30 PM FREE WEBCAST

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Handout Materials

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|---|-------|
| 1. <i>The “Abundance Agenda” and Alternative Dispute Resolution</i> by Gideon Kracov and Darrell Steinberg, June 18, 2025 published in the Daily Journal | 4-5 |
| 2. <i>Honor Earth Day by Resolving Land Use and Environmental Disputes with Mediation</i> by Gideon Kracov and Malissa Hathaway McKeith, April 22, 2024 published in the Daily Journal | 6-7 |
| 3. <i>California Policymakers Can Incorporate Mediation Into Legislative Proposals To Streamline Renewable Energy Permitting</i> by Gideon Kracov and Dr. Lawrence Susskind, August 5, 2024 published in VerdeXchange | 8-9 |
| 4. <i>People-Centered Abundance: Moving Beyond the Abundance Discourse Towards Shared Prosperity</i> , the Possibility Lab UC Berkeley | 10-23 |
| 5. <i>Managing the Energy Transition: A Place-Based Approach</i> by Kate Gordon, August 6, 2024 published in Carnegie Endowment for International Peace | 24-34 |

6. <i>California Climate-Smart Economy Initiative</i> by Matt Armsby, Interim President, Resources Legacy Fund, Kate Gordon, CEO, CA FWD, Nuin-Tara Key, Executive Director, Programs, CA FWD, Alvaro Sanchez, former Vice President of Policy for the Greenlining Institute (opinions his own), Craig Segall, former Deputy Executive Officer and Assistant Chief Counsel of the California Air Resources Board (opinions his own), July 2025 published by CA FWD	35-44
7. Today's Law As Amended: AB-131 Public Resources.(2025-2026)	45-77
8. SB-130 Housing.(2025-2026)	78-288

Additional Readings:

Klein, E., & Thompson, D. (2025). *Abundance*. Simon & Schuster

Klein, E. (2025, June 8). Abundance and the Democrats' future. *The New York Times*.
<https://www.nytimes.com/2025/06/08/opinion/abundance-democrats-future.html?smid=nytcore-ios-share&referringSource=articleShare>

Klein, E. (2023, April 2). The Problem With Everything-Bagel Liberalism. *The New York Times*.
<https://www.nytimes.com/2023/04/02/opinion/democrats-liberalism.html?smid=nytcore-ios-share&referringSource=articleShare>

Abundance & Collaboration Reading List¹

ADR & Mediation

- Fisher, R., Ury, W., & Patton, B. (2011). *Getting to Yes: Negotiating Agreement Without Giving In*. Penguin.
- Moore, C. (2014). *The Mediation Process: Practical Strategies for Resolving Conflict*. Jossey-Bass.
- Bowling, D., & Hoffman, D. (2003). *Bringing Peace into the Room*. Jossey-Bass.
- Adler, P. (2010). *Eye of the Storm Leadership*. Rotman-Utp.

¹ Thank you to Jamie Damon and Mike Harty with Kearns & West for their suggestions for this panel discussion and reading list. Note: Inclusion of an article, book, or report does not imply endorsement of every perspective or recommendation presented.

Collaboration & Governance Frameworks

- Greenwood, S., Singer, L., & Willis, W. (2016). Collaborative Governance: Principles, Processes, and Practical Tools. Routledge.
- Pulido-Gómez, S., de Jong, J., & Rivkin, J. W. (2022). "Cross-sector collaboration in cities: learning journey or blame game?" Public Management Review, 24(3).

California: CEQA, Permitting, Transportation & Water

- SPUR. (2025). California's CEQA Exemption Has Helped Cities Build. San Francisco Bay Area Planning and Urban Research Association.
- California Assembly Select Committee on Permitting Reform. (2025). Final Report.
- Brownstein Hyatt Farber Schreck. (2025, July 9). Major Changes to CEQA and California Housing Law Approved by Gov. Newsom.
- Quinn, T. (2020). "Forty Years of California Water Policy: What Worked, What Didn't, and Lessons for the Future."
- Hanson Bridgett LLP. (2025, January 31). Key 2025 CEQA Updates for Residential Developers: Extended Exemption and Streamlining Options.

Cooperation Classics

- Muth, J. (2004). Stone Soup. Scholastic.
- Axelrod, R. (1984). The Evolution of Cooperation. Basic Books.
- Saxenian, A. (1994). Regional Advantage: Culture and Competition in Silicon Valley and Route 128. Harvard University Press.

Daily Journal

www.dailyjournal.com

WEDNESDAY, JUNE 18, 2025

Published In The Top Real Estate Lawyers 2025 Supplement



The 'abundance agenda' and alternative dispute resolution

By Gideon Kracov and Darrell Steinberg

Have you heard of the “abundance agenda” - that California must streamline housing and infrastructure permitting to build the affordable, green economy that we imagine? Our housing demands require an estimated 180,000 new units a year. To meet the state’s decarbonization and public welfare goals, investments are needed in renewable energy, grid modernization, water infrastructure, health care, and transportation mobility. In 2028, as Southern California hosts the Olympics while recovering from the impacts of wildfires, these projects will be more critical than ever. The “abundance agenda” urges us to remove bottlenecks that limit building the things California needs.

As we focus on how to quickly resolve the state’s environmental, land use and related permitting disputes, alternative dispute resolution (ADR) is an indispensable tool in the state’s toolbox.

ADR, particularly mediation, is common in all types of real estate, government law and environ-

mental cases. In construction defect, eminent domain, neighbor conflicts, tort claims, labor, property cleanup and water rights matters, ADR saves parties millions in litigation fees and costs. Expanding its use in land use and infrastructure permitting disputes can lead to significant benefits for parties, attorneys, and others.

The iceberg: Mediators look below the surface

Environmental and land use disputes are often about more than bargaining over money. These cases may involve mitigation conditions, including construction design, air and water quality, traffic, community benefits agreements, labor conditions or open space protection. However, many of the issues driving these cases lie beneath the surface and aren’t readily apparent from the pleadings. Mediators often analogize litigated cases to an iceberg. We can all see the iceberg. It is the lawsuit and the parties’ litigation positions or money demands. But what is beneath the surface, or “below the iceberg” - the parties’ motivations and interests? Mediation allows for

both exploration of these sub-surface issues and creative brainstorming of the non-monetary terms.

In cases where mitigation measures or injunctive terms are at issue, the mediator should signal to the lawyers - expect open-ended, clarifying questions. Why? How? Can we? Why not? What if? This is how mediators identify and resolve what is “below the iceberg.” The answers can help justify the parties’ demands. An example is a recent mediation of a multi-party CEQA writ of mandamus lawsuit challenging land use approvals for a large warehouse development project. The path to settlement was not about the sufficiency of California Environmental Quality Act (CEQA) thresholds of significance or the rigor of the cumulative impacts analysis in the environmental impact report (EIR) - but instead, community benefits and design changes to lessen project impacts.

Mediators present a choice to the parties

The parties often enter into mediation focused on a single outcome. The goal of mediation

should be to present the parties with perspective and a choice. The mediation session must not end before the mediator explains to the lawyers and clients what it will take to settle the case. What are the best terms, after hours or days of negotiating, that we can get from the other side? Then we can compare that with “BATNA,” the best alternative to a negotiated agreement. We also discuss “WATNA,” the worst alternative outcome (i.e., what the party will lose) if the case is not resolved. The parties then have the information to make an informed choice: Settlement or more litigation and trial.

Another example from a recent CEQA mediation is instructive. In that case, neighboring homeowners sued over approvals for a large senior living planned development. There was the “iceberg” - litigation positions on EIR recirculation and the content of the greenhouse gas and construction noise analysis.

In response, the mediator described to the petitioner neighbors recent caselaw on the

remedy provisions of CEQA and explained they may not be able to “kill” the project or undo land use approvals with broad support from the local elected officials. The mediator emphasized that there will inevitably be resolution and asked that the mediation session focus on mitigation measures that can best meet their interests.

Their perspective refocused; the neighbors expressed that they had issues with traffic and public safety, along with attorneys’ fees. As it turned out, the developer real party in interest also cared about security and controlling property access. These issues became currency for the negotiation. In the end, the parties reached a creative settlement where the homeowners’ association licensed unused land to the developer for a security kiosk at the property entrance. In return, the association received money for community benefits and legal fees, the benefits of extra neighborhood security and wayfinding signs for access. The developer received land for a security kiosk at the front gate that it wanted and it did not have to reopen its land use approvals. The respondent public agency successfully closed the matter and removed the case from its litigation docket. In the end, the parties chose settlement because the mediation uncovered and focused on common interests “below the iceberg.” A resi-

dential housing project moved forward, community interests were protected and substantial time and litigation costs were saved.

Mediation mechanics

Environmental and land use cases also, thankfully, already have some built-in mediation mechanics that can help lead to resolution.

An existing but underutilized tool is the CEQA early settlement meeting, outlined in Public Resources Code section 21167.8, which requires the parties to meet and attempt to resolve the litigation within 45 days of the lawsuit being served. However, the early meeting is often pro forma, too informal, abbreviated, and does not meaningfully assist in resolving the dispute. Many practitioners agree that the early meeting can be taken more seriously. One path is to exchange terms sheets and conduct an in-person session including the litigants and a neutral mediator who “speaks CEQA.”

CEQA’s early settlement meeting is not the only specialized tool to get these cases resolved - the Planning and Zoning Law in Government Code section 66030 authorizes mediation in 10 specified land use matters including general plan decisions, zoning, and a catch-all for “the approval or denial by a public agency of any development project.” Yet today, this decades-old Government Code mediation provision is rarely invoked, largely because it is permissive.

Practitioners should dust it off in their pending cases.

As for the mediation process - and this is general advice for all litigated cases - the right mediator can make all the difference. Look for mediators who separately call or Zoom with counsel before the mediation to distill the issues. This adds value to the ensuing “shuttle diplomacy” between the parties, all protected by the expansive, mediation-specific confidentiality provisions of Evidence Code section 1115 et seq. When the mediator works as a team with lawyers and clients, up to and including on what to say to the other side and when to say it, all parties become invested in the settlement process.

Not every case is possible to settle during the mediation ses-

sion. Sometimes parties are not yet ready to settle, or more information is required, especially if creative solutions emerge during the mediation session. In these situations, though, the mediator can still ensure that the parties agree to next steps with a timeline - extending “shuttle diplomacy” for days, weeks, or however long it takes by text, phone or Zoom to keep focus on the parties’ interests and what is “below the iceberg.”

Conclusion

ADR and mediation are important tools to resolve our state’s thorny environmental and land use permitting disputes - and to advance an “abundance agenda” for a greener, more affordable California. The right mediator with the right strategies can help.

Gideon Kracov is a mediator at ADR Services, Inc. and serves on the adjunct faculty at Loyola Law School. **Darrell Steinberg** is national director for Manatt, Phelps & Phillips LLP and principal of Steinberg Mediation and Consulting. Steinberg is also the former mayor of Sacramento and president pro tempore of the California State Senate.



Honor Earth Day by resolving land use and environmental disputes with mediation

By Gideon Kracov and
Malissa Hathaway McKeith

On this Earth Day, many Californians are concerned about delays to housing development caused by zoning lawsuits and advocate for the need to streamline the construction of clean energy and water infrastructure projects. One solution that has been overlooked is the use of methods other than litigation, referred to as alternative dispute resolution (ADR), to speed resolution of California's environmental, land use, and related public policy disputes.

California is regularly criticized for its inability to address a housing crisis that requires an estimated 150,000 new units each year and to deliver the critical infrastructure (public transit, renewable energy, grid upgrades, electric vehicle charging, water delivery, wildfire and flood resilience, etc.) to meet our ambitious climate goals. As one example, a recent Daily Journal headline reports that *"To Save San Francisco, a Democrat Wants to Scrap Environmental Reviews."* Though the land use and environmental bar settle many cases on their own – often before there is a lawsuit – on this Earth Day California can build its sustainable future more expeditiously and with less conflict if litigants and government agencies adopt facilitated ADR.

The value of ADR, including mediation, is well-established. Mediation is a non-binding, confidential process that expedites resolution with the help of a qualified neutral – usually a lawyer or former judge with subject matter knowledge – who helps parties to better understand their options and craft voluntary agreements. The California Judicial Council's analysis of medi-



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ation programs concludes that they bring "substantial benefits to both litigants and the courts. These benefits included reductions in trial rates, case disposition time, and the courts' workload, increases in litigant satisfaction with the court's services, and decreases in litigant costs." The federal courts in California require the parties in nearly *all civil cases* to attend an ADR session before trial. In the Los Angeles Superior Court, the parties in *every* personal injury and employment case must attend a Mandatory Settlement Conference, and judicial officers often urge the parties to reach a deal.

Thirty years ago, California lawmakers recognized that ADR, and specifically mediation, would aid in resolving land use, environmental, and related public policy litigation – but this option is rarely used. The Planning and Zoning Law in Government Code section 66030 *et seq.* provides "lawsuits can delay development, add uncertainty and cost to the development process, make housing more expensive, and damage California's competitiveness. This litigation begins in the superior court, and often progresses on appeal to the Court of Appeal and the Supreme Court, adding to the workload of the

state's already overburdened judicial system . . . it is, therefore, the intent of the Legislature to help litigants resolve their differences by establishing formal mediation processes for land use disputes." The law authorizes permissive mediation in ten specified types of litigation matters including the California Environmental Quality Act (CEQA – the state law that requires analysis and mitigation of a project's environmental impacts and creates a private right of enforcement), general plan decisions, land annexation, public utility actions, mitigation fees, zoning matters, and an expansive catch-all

(with emphasis added) for “the approval or denial by a public agency of any development project.”

Yet today, these decades-old Government Code mediation provisions of the Planning and Zoning Law are rarely invoked, largely because the provisions are permissive. Many attorneys and government agencies are unaware of this option even though land use, environmental, and related public policy cases are particularly suited to incorporate the culture of ADR and mediation. Mandatory mediation, on the other hand, is now commonplace in construction and real estate contract disputes and saves parties millions in litigation fees and costs. Requiring a neutral third party to facilitate resolution is a core reason why those disputes often resolve early, and the Legislature should amend section 66030 *et seq.* to make mediation mandatory in land use disputes to help get them settled.

CEQA's early settlement meeting process in Public Resources Code section 21167.8 also could achieve faster resolution with the use of mediation. It requires that the parties meet and attempt to settle the litigation within 45 days of service of the CEQA petition. However, this mandatory early settlement meeting is often *pro forma*, abbreviated, and does not meaningfully assist in resolving the dispute. The early meeting usually is over the phone, the litigants do not attend, no neutral mediator participates, and it finishes in less than half an hour. To make matters worse, once finished, the parties in CEQA cases cite the early settlement meeting to exempt themselves from any further ADR or mediation requirement. And while it is true that Public Resources Code section 21167.8 states that “if the litigation is not settled [at the early meeting], the court, in its discretion, may, or at the request of any party, shall, schedule a further settlement conference before a judge of the superior court,” this rarely occurs.

Land use, environmental and related public policy disputes can be complicated and often fraught with emotion. It is precisely for these reasons that facilitated mediation can help build understanding and trust among the parties. On this Earth Day as California builds for its future needs and protects the planet, ADR and mediation provide the following benefits:

Participation. ADR and mediation bring the litigants with authority to settle to the table – no small feat. Depending on the case, this can include plaintiffs/petitioners (individuals, non-profits, community

associations, etc.) and respondents/real parties (often city attorneys and representatives from public agencies or a private project proponent). By having the clients personally attend the ADR or mediation session, they learn about the litigation process, focus on key settlement issues and engage in efforts to reach resolution. While zoom and remote meetings are becoming the norm for reasons of convenience, there are advantages to convening in-person in a welcoming space. Time, travel and personal presence make for a more meaningful investment in reaching a deal. If emotions are high and repairing the parties' relationship will help settle the dispute (for example if the litigants are neighbors), joint sessions can be considered with a mediator trained in facilitation. Counsel can also set the timing of the ADR session, to ensure it occurs at the right stage of the case (pre-litigation, before or after administrative record preparation, trial briefing, etc.). Indigent or non-profit parties can select free, court affiliated ADR providers, mediators who offer reduced cost services, or newer mediators willing to work *pro bono* to gain valuable experience.

Facilitation. A skilled mediator will maximize the chance to settle by utilizing skills that promote better understanding and trust. Unlike the busy superior court judge with a docket of hundreds of cases, the mediator will have time to separately call or zoom counsel beforehand to distill the key issues. Not only is *ex parte* contact allowed during mediation, it is a best practice to understand the litigants' interests and settlement positions. The mediator performs “shuttle diplomacy” between the parties – the value of this practice is beyond question after decades of demonstrated success in all types of civil matters. Moreover, the expansive mediation confidentiality rules of California Evidence Code section 1115 *et seq.* enable parties to speak candidly to the mediator and protect all communications from disclosure. This is more absolute confidentiality than is provided by the familiar Evidence Code section 1152 rule for offers to compromise. Confidentiality creates an environment of trust within each mediation room that enables counsel and the parties to tell the mediator things they would never tell each other. The skilled mediator then strategizes with the lawyer and client about what to communicate to the other side.

Innovation. ADR and mediation are particularly valuable in land use, environmental, and related public

policy disputes that have lasting implications beyond just distributive bargaining over money. These cases may involve mitigation conditions important to petitioners including construction design features, air and water quality, traffic impacts, community benefits, or conservation matters such as tree and open space protection. Mediation allows for creative brainstorming of the non-monetary terms. Selecting a mediator with a background in these types of cases is important. She will spend time with the parties to float ideas, alternatives, and proposals, and then sort feasible choices. Mediators are not judges, juries or arbitrators – and not all cases will settle. However, a trusted mediator motivates parties to reveal their core interests and demands – among even the most reluctant participants.

Evaluation. An unbiased third-party mediator can evaluate the disputed issues, litigation costs and remedies. She will explore personal connections in common with counsel and litigants to build rapport. She can employ techniques such as use of clarifying questions so that the parties will be more open to listening and receiving feedback. Any insurance and indemnity issues can be assessed. She can communicate frankly to the parties and counsel about their arguments and assumptions, especially as new information is disclosed. The mediator can work with counsel to set expectations, assess the merits, and guide the parties to abandon arbitrary litigation aims or settlement terms. For example, if a party in a CEQA case insists on complete victory or a drawn-out trial, a mediator with subject-matter expertise can discuss the complex and increasingly contested remedy provisions of Public Resources Code section 21168.9 and identify a range of logical outcomes.

Resolution. The US Environmental Protection Agency's environmental collaboration and conflict resolution (ECCR) data shows mediated cases are resolved in one-third less time than litigated cases and require 79% fewer staff hours than litigation. Best practices include preparing a draft term sheet before the mediation begins so that litigants identify the key components of a settlement. A good mediator will ensure client representatives have authority to settle. Where the case does not settle, or certain terms remain unresolved, the mediator can ensure the parties agree to next steps with a timeline. The goal of mediation is to resolve disputes sooner and never to encourage delay unless the parties jointly agree to stay or toll the action to save costs. The tenacious, flexible mediator does not give up, and will extend her “shuttle diplomacy” for days or weeks after the mediation session as the parties finalize a deal.

Conclusion. Land use, environmental and related public policy lawsuits, like all other civil cases in California, will benefit from an enhanced culture of ADR and mediation. Litigants, judicial officers, public agencies and the Legislature should revisit the too-often forgotten Government Code section 66030 *et seq.* mediation provisions of the Planning and Zoning Law. ADR tenets such as use of a neutral mediator should be incorporated into the CEQA early settlement meeting pursuant to Public Resources Code section 21167.8. Where cases do not resolve at the CEQA early settlement meeting, courts should consider ordering a further settlement conference with a mediator. The extra effort is worth it. By fostering a culture of ADR and mediation, we can streamline resolution of these disputes for the benefit of the parties, their lawyers and all Californians on Earth Day.

By Gideon Kracov is an environmental, land use and real estate mediator with ADR Services, Inc., and Malissa Hathaway McKeith holds an LLM in Dispute Resolution from Pepperdine Strauss Institute for Dispute Resolution and is a seasoned land use, water and environmental lawyer.



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California Policymakers Can Incorporate Mediation Into Legislative Proposals To Streamline Renewable Energy Permitting

Submitted on August 5, 2024 - 10am



California Policymakers Can Incorporate Mediation Into Legislative Proposals To Streamline Renewable Energy Permitting

By Gideon Kracov, Esq. and Dr. Lawrence Susskind

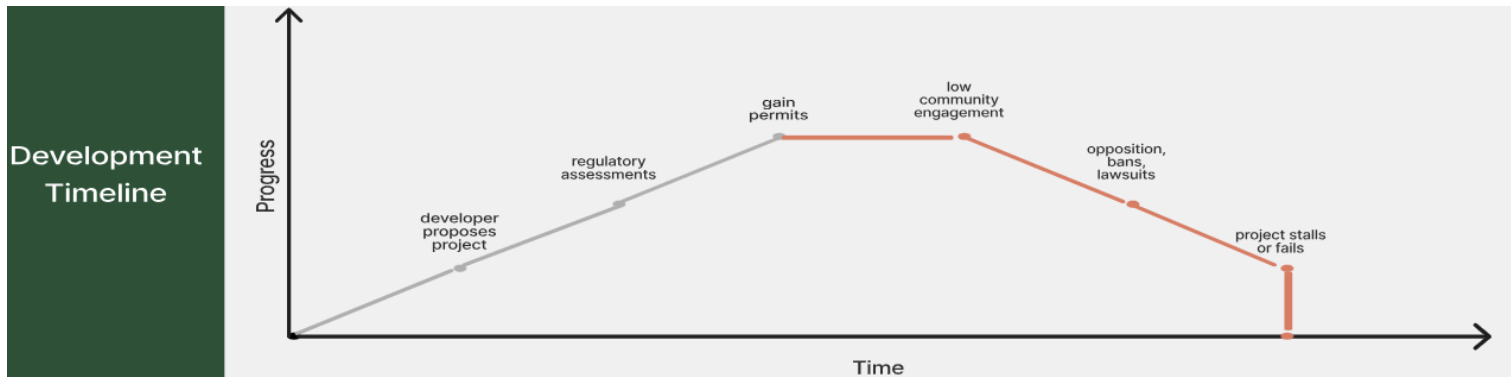
Background on the Permitting Dilemma For California Renewable Energy Projects

"California can reach its bold climate goals more expeditiously if policymakers incorporate mediation into renewable energy permitting. Disputes over these projects can be complicated and often encumbered with emotion. Years of environmental conflict efforts show that mediation speeds resolution by helping build understanding and trust for the benefit of all Californians." — Gideon Kracov, Esq. and Dr. Lawrence Susskind

California must build an enormous amount of clean energy infrastructure to meet its ambitious climate goals. The California Air Resource Board's [2022 Climate Scoping Plan](https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf) (https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf) estimates need for an additional 72 gigawatts (GW) of utility solar and 37 GW of battery storage by 2045. To reach its 2045 greenhouse gas reduction targets, the state will need to quadruple its current level of wind and solar capacity. The [California Energy Commission](https://www.energy.ca.gov/data-reports/reports/electric-vehicle-charging-infrastructure-assessment-ab-2127) (https://www.energy.ca.gov/data-reports/reports/electric-vehicle-charging-infrastructure-assessment-ab-2127) estimates the state must install over 2 million battery chargers to support 15 million zero emission passenger cars in 2035 and an additional 114,000 high-capacity chargers are needed in 2030 for 157,000 medium- and heavy-duty battery electric trucks.

Renewable Energy Permitting Resistance

Renewable energy projects are often fraught with permitting delays and obstacles. Local resistance or environmental concerns can lead to litigation and project setbacks. For example, the first Salton Sea lithium brine mining project permitted with much fanfare by Imperial County, California in 2024 now faces a [lawsuit](https://inewssource.org/2024/04/22/california-lawsuit-salton-sea-lithium-imperial-valley-ceqa/#:~:text=The%20lawsuit%2C%20filed%20last%20month%20by%20two%20advocacy,California%20Environmental%20Quality%20Act%2C%20also%20known%20) (https://inewssource.org/2024/04/22/california-lawsuit-salton-sea-lithium-imperial-valley-ceqa/#:~:text=The%20lawsuit%2C%20filed%20last%20month%20by%20two%20advocacy,California%20Environmental%20Quality%20Act%2C%20also%20known%20). In the first six months of 2023 alone, permits for 70 large-scale projects across the nation had been [rejected](https://www.rechargenews.com/energy-transition/us-renewable-energy-developers-are-losing-the-battle-for-new-projects-to-politically-savvy-opponents/2-1-1600711) (https://www.rechargenews.com/energy-transition/us-renewable-energy-developers-are-losing-the-battle-for-new-projects-to-politically-savvy-opponents/2-1-1600711). The [MIT Renewable Energy Clinic](https://renewable-energy.mit.edu/) (https://renewable-energy.mit.edu/) depicts this dilemma:



New Renewable Energy Streamlining Concepts Circulating in Sacramento

In response, California legislators are circulating concepts for a forthcoming legislative package broadly themed as “Hitting California Climate Goals: Modernizing Large Scale Green Energy Review And Permitting.” The concepts include a master California Environmental Quality Act (CEQA) environmental review document for “renewable energy resources, energy storage and transmission, including offshore/onshore wind, port improvements for offshore wind, utility scale solar, geothermal. and battery energy storage projects.” Also proposed is a “one stop shop” for streamlined, consolidated permitting of these projects, as well as for the \$1.2 billion Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) renewable hydrogen hub.

Background on Mediation and Environmental Dispute Resolution

Mediation offers a transformative solution that California policymakers can incorporate into the forthcoming renewable energy bill language. It means (<https://www.epa.gov/system/files/documents/2024-05/fy-2023-epa-environmental-collaboration-and-conflict-resolution-annual-report.pdf>) “third-party assisted collaborative problem solving and conflict resolution in the context of environmental, public lands, or natural resources issues or conflicts, including matters related to energy, transportation, and water and land management.” By utilizing professional mediators working in an Environmental Dispute Resolution (EDR) ([Decades of experience and scholarship show that EDR can be used “upstream” during policy-making and planning as well as “downstream,” once disputes have crystallized over administrative decisions \(e.g. permitting\), or even after disputes have entered litigation. US Environmental Protection Agency’s data \(<https://www.epa.gov/eccr/learn-about-environmental-collaboration-and-conflict-resolution>\) shows mediated cases are resolved in one-third less time than litigated cases and require 79% fewer staff hours. The Federal Energy Regulatory Commission \(FERC\) has a robust Dispute Resolution Service \(<https://www.ferc.gov/enforcement-legal/legal/alternative-dispute-resolution>\) and affirms that “a dispute often can be settled or decided much sooner with ADR \(alternative dispute resolution\) . . . the parties may save money they would have spent on attorney fees, court costs, experts’ fees, and other litigation expenses.” The California Judicial Council’s analysis \(<https://www.courts.ca.gov/documents/empprept.pdf>\) concludes mediation leads to “reductions in trial rates, case disposition time, and the courts’ workload, increases in litigant satisfaction with the court’s services, and decreases in litigant costs.”](https://ceq.doe.gov/nepa-practice/environmental-collaboration-and-conflict-resolution.html#:~:text=Environmental%20Collaboration%20and%20Conflict%20Resolution%20%28ECCR%29%20is%20a,approaches%20to%20prevent%2C%20mana framework, permitting agencies, project proponents, communities, non-governmental organizations or tribal representatives engage in facilitated multi-party dialogue, helping parties better understand their options and craft voluntary agreements that can be incorporated into state and local permit decisions, project mitigation and community benefits. EDR can include joint fact finding and opportunities for confidential give-and-take among the participants even though open meeting and other transparency requirements must be met. EDR agreements usually do not set formal legal precedent and can be fitted to the unique contextual details of each dispute. This approach accelerates project timelines by helping to resolve impasse.)</p></div><div data-bbox=)

There are substantial advantages to creating EDR systems rather than treating each situation anew. This often requires enabling statutes such as the Federal Negotiated Rulemaking Act (<https://www.epa.gov/sites/default/files/2015-09/documents/regnegact.pdf>). Today, there are rosters of experienced mediators ready to assist. In fact, the MIT Renewable Energy Clinic now trains mediators in its course “Resolving Renewable Energy Siting Disputes (<https://mitxonline.mit.edu/courses/course-v1:MITxT+11.092x/>)” designed to understand and build consensus to resolve opposition to renewable energy facilities across the United States.

Existing California Law Does Not Require Mediation For Renewable Energy Projects

Existing California statutes do not require mediation for renewable energy projects.

Neither the SB7 (https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB7) Environmental Leadership Project law for gubernatorial streamlining of priority California infrastructure projects nor the State’s 2023 SB149 (<https://legiscan.com/CA/text/SB149/id/2833528>) energy, water and transportation infrastructure streamlining package (<https://www.gov.ca.gov/2023/07/10/governor-newsom-signs-infrastructure-budget-legislation-to-build-more-faster/>) incorporate mediation into the state or local agency permitting process. Thus far, the Office of Planning and Research website (<https://opr.ca.gov/ceqa/judicial-streamlining/infrastructure-streamlining.html>) identifies one certified SB 149 project.

The Planning and Zoning Law in Government Code section 66030 (<https://codes.findlaw.com/ca/government-code/gov-sect-66030/>) *et seq* authorizes permissive mediation in ten specified types of land use litigation matters including “the approval or denial by a public agency of any development project.” The Law states that “lawsuits can delay development, add uncertainty and cost to the development process, make housing more expensive, and damage California’s competitiveness . . . it is, therefore, the intent of the Legislature to help litigants resolve their differences by establishing formal mediation processes for land use disputes.” Yet, these optional provisions are so rarely invoked that many land use lawyers do not know they exist.

California’s signature CEQA environmental review statute for agency permitting has an early settlement meeting requirement in Public Resources Code section 21167.8 (<https://codes.findlaw.com/ca/public-resources-code/prc-sect-21167-8/>) that the parties meet and attempt to settle the litigation within 45 days of service of the lawsuit. This early settlement meeting is often *pro forma*, abbreviated, and does not meaningfully assist in resolving the dispute. It usually is over the phone, the litigants do not personally attend and no neutral mediator participates. And while CEQA states that “if the litigation is not settled [at the early meeting], the court, in its discretion, may, or at the request of any party, shall, schedule a further settlement conference before a judge of the superior court,” this almost never occurs.

Conclusion and Direction For California Renewable Energy Permitting Legislation

California can reach its bold climate goals more expeditiously if policymakers incorporate mediation into renewable energy permitting. Disputes over these projects can be complicated and often encumbered with emotion. Years of environmental conflict efforts show that mediation speeds resolution by helping build understanding and trust for the benefit of all Californians.

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POSSIBILITY LAB

UNIVERSITY OF CALIFORNIA BERKELEY

Abundance Accelerator

PEOPLE-CENTERED ABUNDANCE

Moving beyond the abundance discourse
towards shared prosperity





In California and across the country, we've seen growing support for the "abundance agenda," a promising policy framework to address the rising cost of living. Its premise is simple: to serve people better, we need to build and create more. Solving our biggest challenges, from housing to clean energy to affordable childcare, requires removing the regulatory barriers, local veto points, and institutional bottlenecks that make it too hard to produce the things people need. More importantly, abundance calls for a shift from zero-sum, process-oriented politics to a positive-sum, outcomes-oriented mindset that enables government to deliver and communities to thrive.

In the summer of 2023, UC Berkeley's Possibility Lab launched the Abundance Accelerator to explore 12 key issue areas where abundance-oriented policy could make a real impact. The Accelerator's mission is to leverage applied research and community-building to promote government policies that expand California's capacity to sustainably supply essential resources, goods, and services to its people. Through rigorous policy research and deep collaboration with state leaders, local agencies, and community organizations, we've developed and tested new models for inclusive community engagement and policy innovation. In March 2025, we took this work further by hosting our first Abundance Accelerator Summit, convening policy experts across disciplines to explore what an abundance agenda might look like in California. Ezra Klein and Derek Thompson's book Abundance has since sparked broader national discourse and catalyzed a national movement, only elevating the timeliness of this ongoing work.

Importantly, as the movement gains momentum, deeper tensions have surfaced within progressive circles around how to balance growth and efficiency with equity and justice. In response, we have listened, and have used this dialogue to refine and improve our approach. Our work, and the broader discourse, have pushed us to reimagine not just what we build, but who builds it, who benefits, and how power is distributed in the process. This piece shares our current understanding of the abundance agenda and the discourse shaping it, and outlines how we are translating those insights into a people-centered abundance framework that serves communities more equitably and effectively.

Contextualizing the Abundance Discourse

Abundance advocates argue that scarcity stems from two key failures:

- (1) a government unable to deliver for people, and
- (2) systems that allow narrow interest groups to leverage their economic and political advantages to exert disproportionate influence over policymaking and implementation.

On the first point, proponents urge our political leaders and institutions to move beyond the status quo, acknowledge past governance failures, and invest in rebuilding state capacity. This vision includes not only deregulating markets but also streamlining government itself and adopting more effective public input processes. Critics question whether such a transformation is feasible given entrenched political interests, and fear that streamlining authority could enable technocratic overreach. Others counter that building effective governance is actually necessary to combat efforts to dismantle government altogether.

At the Possibility Lab, we view state capacity not only as a policy goal but as a foundational requirement for realizing the abundance agenda. This raises the following questions for our work: How can we build a government capable of delivering meaningful outcomes while remaining responsive to public values? What does it take to cultivate institutions that people can trust and rely on? And how do we ensure that those institutions are accountable to the public interest?

This leads us to a second challenge: the outsized influence of narrow interest groups. We discuss the discourse around these issues and our thoughts on them in the following sections.

→ Economic Interests & Worker Power

A primary concern with abundance centers on whose ***economic interests*** it serves and empowers.

First, critics argue that the movement's emphasis on deregulation and growth reflects a neoliberal worldview that fails to challenge entrenched corporate influence, and instead empowers it at the expense of workers and consumers. They call for greater clarity around its deregulatory aims, noting how dominant firms often benefit from scarcity and actively block abundance by limiting supply, stifling competition, and raising prices.

Second, critics argue that the movement's lack of emphasis on economic security reflects an elite bias that fails to address working-class priorities and needs. Some question its relationship with unions, noting that many of its champions and funders come from industries and organizations historically hostile to labor. Others contend that true abundance requires confronting entrenched class interests, but the movement too often sidelines the welfare state, overlooking the vital role of redistribution and strong social protections in building trust and sustaining long-term reform. These concerns have led some to call for a vision of abundance grounded in broad-based prosperity, while others push for one that builds and redistributes power more equitably.

Abundance advocates counter that scarcity stems from complex, context-specific challenges that require flexible, targeted policy responses. Rather than relying on rigid ideological frameworks, they argue that economic policy should focus on directly and holistically addressing the systems and structures that limit supply. While corporate power may drive scarcity in some cases, it is not always the primary culprit, demanding nuanced, case-by-case analysis. The YIMBY movement embodies this approach, rejecting a binary struggle between “the people” and “the elite,” instead confronting anti-housing coalitions — NIMBY homeowners, rentier developers, and some labor groups — and embracing pro-housing allies, such as the Carpenter's union in California, wherever they arise.

Still, these critiques raise important questions that we take seriously, particularly around which economic tradeoffs are necessary and which are false choices. At the Possibility Lab, we understand abundance as philosophically aligned with anti-trust policies that reduce barriers to production, promote fair competition, and increase supply. We also view organized labor and sustained investments in the workforce as essential pillars of an abundant future. Fundamentally, we reject the notion that equity and efficiency are mutually exclusive; a people-centered approach can deliver both.

Advancing both equity and efficiency, however, requires making decisions that are grounded in accurate diagnoses of the root causes of scarcity and in the lived realities of those most affected.

At the Lab, we are tackling key economic questions such as: How should we balance the roles of markets and public provision to most effectively and equitably deliver for people? How can we ensure that the benefits of

increased production are shared broadly and not captured by entrenched interests? And what does it take to build real “countervailing power” among workers and communities, while being thoughtful and transparent about trade-offs, especially when asking those very groups to bear costs in service of the public good?

➔ Political Interests & Community Power

A second concern with abundance centers on whose **political interests** it advances and protects.

First, critics question which groups and political goals the agenda prioritizes. According to abundance advocates, “everything-bagel liberalism” has hindered progressive governance by overloading initiatives with regulations and procedural hurdles in a misguided effort to satisfy too many constituencies. While some agree that policy execution can be improved, others are skeptical of the movement’s emphasis on efficiency and see it as a centrist ploy for weakening public interest groups. These critics contend that many conditions, such as workforce development and environmental protections, are essential for generating broad benefits, guarding against corporate capture, and shielding communities from social and environmental harms. Recent successes, like the CHIPS and Science Act, are seen as evidence that the government, with the right policy design and political will, can deliver outcomes while protecting the public interest.

Second, critics question who gets to hold decision-making power. Abundance proponents argue that local veto power blocks progress on housing and clean energy, and advocate shifting authority to the state. They contend that community input reflects an organized, advantaged minority that captures local democracy at the expense of broader public needs. Critics caution, however, that disempowering local voices risks alienating communities and disconnecting reform from those it aims to serve. In California, for example, recent CEQA reforms intended to speed infrastructure development have left some environmental groups feeling voiceless. Still, those seeing promise in the movement envision a path forward where abundance is not purely a top-down, technocratic initiative that helps people access what they need, but a bottom-up, people-powered agenda that fosters civic engagement and grassroots innovation, helping diverse constituents shape the community they want to live in.

At the Possibility Lab, we believe an effective abundance agenda must prioritize outcomes over politics while elevating, rather than sidelining, communities. We reject the notion of abundance as a moderate compromise and instead embrace it as a framework for ambitious, long-term policy reform and institutional transformation to advance liberal goals. We also draw inspiration from the YIMBY movement, which exemplifies systemic change through broad-based, grassroots organizing. Across our work, in abundance and beyond, we've remained grounded in the belief that those closest to social problems are also closest to their solutions.

Therefore, we must be willing to humbly embrace the difficult political tradeoffs necessary to effectively serve people while staying true to our values. This means confronting key questions such as: How can we balance local and state power to deliver more effectively? What does it take to cultivate genuine, sustained community buy-in that serves to foster, rather than inhibit, innovation and progress? And how do we embed equity not as an afterthought, but as a foundational principle in the policymaking process?



The Possibility Lab's People-Centered Approach to Abundance

In response to both the promise and critiques of the movement, we propose a framework for “People-Centered Abundance” that embraces the need for bold, supply-side reform while remaining grounded in equity, accountability, and public trust. This framework integrates concerns about economic power and community exclusion into a more holistic vision that seeks to build with people, not just for them. Our aim is to chart a path forward that channels the movement’s productive energy into policies and practices that expand opportunity, enhance wellbeing, and empower communities to thrive.

The Possibility Lab’s people-centered abundance framework has nine tenets, organized into Pillars, Principles, and Practices. The Pillars reflect core ideas of the abundance agenda, such as increasing the supply of essential goods and focusing on policy outcomes. The Principles highlight the values and priorities that inform the Possibility Lab’s unique perspective on creating abundance that is shared by all people. Lastly, the Practices characterize the Lab’s recommended approach to achieving abundance, which involves confronting tradeoffs and working in partnerships to strengthen our civic infrastructure and make data-driven policy decisions.

3 Pillars | The Building Blocks of Abundance

- Encourage an **Abundance Mindset**
- **Create Enough** to Meet Everyone’s Needs
- **Design Systems** to Deliver

3 Principles Guidelines for Shared Abundance

- Put **People at the Center** of Abundance
- Ensure **Equitable Access** to Goods and Services
- **Equip the Government** to Serve the People

3 Practices Practical Strategies for Abundance

- **Maximize** Benefits and **Minimize** Harms
- Make Informed Tradeoffs Based on **Community Input**
- Generate **New Ideas** and **Activate Partnerships**





3 Pillars: The Building Blocks of Abundance

Pillar 1: Encourage an Abundance Mindset

An abundance mindset is the belief that there can be sufficient resources to provide enough goods, services, and opportunities for everyone. Rather than assuming that if some people gain, others must lose, abundance believes in the principle that a “rising tide lifts all boats.”

In politics, the status quo often assumes a scarcity of resources, services, and capacity. Applying an abundance mindset to public policy challenges these assumptions by envisioning a society where there is enough for all Californians to thrive.

California enjoys vast abundance. We have plentiful natural resources, as well as a population full of innovative people who can work together to solve problems.

With an abundance mindset, we can address the root causes of scarcity and tackle even the most difficult problems. Through curiosity, creativity, and collaboration, we can create shared abundance together.



Pillar 2: Create Enough to Meet Everyone's Needs

Abundance advocates focus on policy reforms that would enable us to produce enough goods and services to ensure that each of us has what we need to thrive. In theory, when an economy has plenty of products available, sellers must lower their prices to remain competitive and ultimately be able to sell what they produce.

However, when we have policies that restrict the amount of goods we create – including housing, healthy food, clean energy, and other public goods – sellers are still able to raise their prices and make sales. In this system, the government fails to provide public goods, and the private market fails to make them affordable. We are left with persistent problems of scarcity, where there are not enough goods, services, and opportunities for everyone to access.

These policy-induced scarcity problems require policy reform interventions. Existing programs that focus on redistribution and subsidies – like food stamps, childcare vouchers, and cash assistance – help people access their

immediate needs, but they do not address the root causes of scarcity in the long term.

Abundance addresses these root causes by focusing on strengthening the underlying supply of goods. This will help enhance the availability, accessibility, and affordability of essential human needs.



Pillar 3: Design Systems to Deliver

To achieve abundance, we need to re-evaluate the laws and processes that govern the public and private sectors to better meet people's needs. Currently, many regulations undermine the ability of government agencies to adapt, improve, and deliver better outcomes. They also prevent private industry from moving forward with quick and ambitious innovation.

However, many regulations preserve environmental, labor, and other protections. They also protect against large corporate interests, preventing them from artificially limiting supply and raising prices.

To address these problems, abundance advocates propose a more balanced approach to “right-sizing” regulation based on the root causes of scarcity. Rather than calling for the removal of all regulation, a focus on abundance asks: does a specific regulation help or hurt the outcomes we care about? If a regulation protects critical outcomes—like health, equity, or long-term trust—it should be preserved or reformed, not removed.

When making this kind of assessment, we should start by identifying our desired outcome and work backwards. Many of today's regulatory processes were not designed to work together as a whole. Instead, regulations have been layered one on top of another, pieced together over time as short-term remedies to satisfy competing interests. While each regulation may have good intentions, the net-effect of these layered regulations can be self-defeating. When that is the case, we must reimagine the status quo, using the desired outcome as our guide and reverse engineering reform from there.

This approach implies accountability: if we change the process, we must carefully monitor whether better outcomes actually follow. The goal isn't to remove regulatory procedures wholesale, but rather to close the gap between public needs and policy outcomes.



3 Principles: Guidelines for Shared Abundance

Principle 1: Put People at the Center of Abundance

Achieving abundance requires investing in communities, workers, and the civil service. The problem of scarcity in California is often related to shortages in workers who are available, trained, and authorized to provide essential services, such as teachers, doctors, childcare providers, and contractors. To achieve abundance in California, we need to invest in the people that provide these services. Investing in people is also critical for ensuring that abundance creates shared prosperity.

Likewise, equity and democratic engagement are key features of People-Centered Abundance. Community input is critical to designing high-quality goods and services that can meet people's needs. To ensure that we deliver shared prosperity from the bottom-up, we need to design abundance policies that invest in and engage people at every stage of the policy process.

An end-result of “more” means little if inequalities are sustained or exacerbated, or if struggling communities are not uplifted in the process. Abundance is not just about creating *more*—it's also about creating *better*.



Principle 2: Ensure Equitable Access to Goods and Services

California has one of the highest income disparities in the U.S. and a poverty rate above the national average. If wealthy and influential individuals in California use the current abundance conversation to remove regulations, avoid taxes, and consolidate power for their own benefit, the same cycles of inequality will persist – even as reforms are made and new projects are built.

Because lower-income individuals typically spend a greater portion of their budgets on necessities, policies that increase the supply and affordability of essential goods tend to benefit disadvantaged groups more than they benefit the wealthy. By making essential goods more affordable, and by improving public services and infrastructure through a progressive tax system, abundance policies can inherently promote greater equity.



Principle 3: Equip the Government to Serve the People

Since the late 20th century, supply-side policies like deregulation and tax cuts have been favored by those who believe that less government involvement in the economy is better for innovation.

In our view, the government must play an active role in the economy by providing public goods and steering private enterprise towards the abundant provision of human essentials. The success of the abundance agenda will require building capacity at all levels of government to effectively design and implement public policy. The public sector needs flexibility and resources to create better systems. It needs well-trained and well-supported personnel to achieve complex policy goals. Advancing abundance will depend on a strong public sector, with adequate funding and coherent governance structures, in which civil servants use evidence and data to solve pressing problems.

Achieving this vision will require moving beyond the status quo and embracing reforms to improve the government's operating systems. With smart processes and innovative personnel in government, California can create an abundant future that effectively serves all people.





3 Practices: Practical Strategies for Abundance

Practice 1: Maximize Benefits and Minimize Harms

When designing policies for abundance that also protect people and the planet, we recommend decision-makers and practitioners follow the practice of **maximizing benefits and minimizing harms**.

Maximizing benefits means prioritizing policies that benefit the public good – like cheaper housing, more transit, or clean energy – over those advanced by a vocal minority of small, organized groups (e.g., NIMBYs, trade associations, or legacy incumbents). These small groups too often wield outsized power through local hearings, statewide propositions, lawsuits, or regulatory comment periods. Their preferences often overshadow, or actively harm, historically marginalized communities and their concerns about displacement, pollution, or gentrification.

Minimizing harms means ensuring that valid concerns are heard and addressed, without being used to halt action altogether. This includes addressing environmental and labor concerns in policy design to increase essential goods for humans without unduly harming workers or the planet. Ultimately, the goal of abundance is creating policies that deliver net benefits without unjust harm.



Practice 2: Make Informed Tradeoffs Based on Community Input

Advancing abundance will surface many competing viewpoints. When thinking about building more housing, for example, some people may prioritize environmental concerns while others may prioritize providing the most shelter for the most people. Similarly, when it comes to public transportation, people with different mobility needs may prefer different ways of getting around.

Policy- and decision-makers will need to understand competing viewpoints in order to make informed trade-offs when designing policy programs around abundance. These trade-offs should be guided by evidence-based insights into community needs and preferences, as well

as data that can help guide decisions towards effectively achieving stated goals. This will require creating more meaningful and inclusive processes of community engagement to expand front-end participation, reduce back-end veto points, and develop new ways to gather broad-based community input.

It is crucial that moving *fast* doesn't come at the expense of being *fair*. Rapid change can produce new inequities, environmental risks, or public backlash if poorly managed. To mitigate this, government agencies can incorporate agile feedback loops to track what works and what doesn't. Additionally, some rules and red tape (e.g., public comment periods, environmental reviews, professional licensing) may be worth reforming if evidence suggests they're 1) creating roadblocks to results, and 2) not giving meaningful voice to communities.



Practice 3: Generate New Ideas and Activate Partnerships

The great promise of technology and innovation is that it can help us improve people's lives. Ideally, everyone would share in the benefits, therefore reducing scarcity and helping more people access what they need for a good life.

For this reason, the abundance agenda promotes collaboration between the public and private sectors to catalyze technology and innovation towards the provision of basic human essentials. This means finding ways to fund projects that encourage and reward private companies for supporting public needs. These might include a combination of "push" and "pull" funding, to both support development and reward success, or an advance market commitment to help reduce risk for private innovation. Streamlining state regulatory processes can further incentivize public-private collaboration.

In addition, California can foster partnerships between philanthropy, community-based organizations, and local governments to fund and implement projects that are tailored to community-specific needs. Public investment should not result solely in private gain, but should ensure that new products and technologies produced with public support are widely available and affordable to all.

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Managing the Energy Transition: A Place-Based Approach

Communities will soon be hammered by climate impacts or hollowed out by declining consumer demand. U.S. policymakers need to make the energy transition equitable.

By **Kate Gordon**

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About Local Solutions for the Clean Energy Transition

The world's energy and fuel systems are undergoing a profound transition. For many years, the Industrial Revolution and ensuing industrial economies, trade, and globalization were underpinned by fossil fuels. Today, this geoeconomic system is shifting in response to climate change, with a focus on moving away from fossil fuels toward lower-carbon alternatives. Though it may be tempting to try and solve these issues at the global level, the only way to successfully navigate this transition is to take a place-based approach: to design policies and projects that work in specific places in order to solve specific economic and energy challenges and provide tangible benefits to workers and communities. Some critics may view this approach as too slow given the urgency of climate change or too complicated given the need to get to "speed and scale" in clean energy technologies. But this series argues that the only way to achieve the clean energy transition—particularly the only way to build political will and community support—is by taking a place-based economic development approach.

In 2023, at the end of the United Nations Climate Change Conference held in Dubai, member states promised an "orderly and equitable" transition away from fossil fuels. Getting to the point where all parties approved this phrasing was no small task. While the language has been criticized from many sides, its very existence is a step forward in global negotiations that took years to accomplish. As usual, reality moves faster than

diplomacy: it has been clear for decades that the only real way to fight climate change is to transition away from fossil fuels.

As this shift and the effects of climate change and requisite policy responses become more tangible, what will happen to traditional energy communities? Specifically, what will happen to American culture and politics when we move from an energy system run on place-based extractive industries—the engine of our entire economic system—toward one run on a diverse set of energy technologies based not on the location of underground resources but rather on the availability of sun, wind, and waves? What will happen when we abandon extractive industries for something new and less grounded in place?

Some in the climate community would argue that we're already moving in this direction, pointing to the oft-quoted statement that there are more solar jobs than coal jobs in America. Indeed, at the end of 2023, there were only about 43,000 workers in or around coal mines in the United States, split between the eastern Appalachia region and the Intermountain West. In contrast, the Department of Energy estimates there were over 300,000 solar workers spread across the country the same year. And while coal jobs generally continue to decline, solar jobs continue to tick upward.

But the numbers hide some important details. To begin with, coal miners, like many others in fossil fuel industries, nearly always enjoy permanent, unionized jobs with benefits, while solar panel installers and many others in newer “clean energy” industries often assume temporary, low-paid, nonunionized jobs.

And just as important, there is a spatial, or place-based, difference. Coal miners, and the coal industry generally, are tied irrevocably to specific *places*. The coal is there and, hence, the mine is there, the community is there, and the supporting industries such as transportation and logistics are there—not to mention restaurants, barbershops, hospitals, and other services. The existence of resources led to the birth of a community. This is the story not just for coal, but for other extractive industries such as oil and natural gas and to a lesser extent agriculture and forestry as well.

Communities that emerge because of resource availability are highly tied to those resources for not only jobs but also for their tax base and overall economic health. Often, these rural areas—without significant infrastructure other than what's been created to move the coal or oil out to ports or population centers—lack strong and

diversified economies. This makes them highly vulnerable when the coal or oil runs out, the market moves in a new direction, or the company goes bankrupt. That dependence on a single industry, or related set of industries, complicates any discussion of a transition away from that resource.

A **2015 ethnographic study of coal country**, conducted on behalf of several foundations interested in funding efforts to transition Appalachian communities away from coal and toward cleaner and more sustainable energy sources, underscores the relationship between the coal industry and the culture of coal communities, including the deeply held value of “independence through work.” It states that “the primary reason for people’s affection for coal jobs is that they [the jobs] have represented a clear, well-trodden path to economic security and independence—not just for coal miners, but for others in the community as well.”

The study’s interviews also highlight the strong place-based nature of coal mining as an economic driver. Coal was found in Appalachia (and Wyoming) and was then sold to those outside the region, bringing economic value back to the area. This export-oriented approach, common in resource economies, is a strong feature of the Appalachian identity:

The economic folk model in Appalachia is fundamentally about the flow of money. Traditionally, coal companies sold coal to outsiders (where the money is), brought that money back to Appalachia, and paid wages to coal miners and to others. Not only did those wages mean economic independence for the employees, but that money in turn flowed out into the local economy—as coal miners, mechanics, bookkeepers, truck drivers, and so on spent it—enabling other jobs and businesses to flourish from the flow of that coal money.

These findings illustrate the integral relationship between coal industries and coal towns, as well as the relationship between place-based extraction and export activities and the local economy. It’s no surprise then that the relationship between these industries and the places they are located goes beyond job statistics and the economy—to the essential *culture* of the places. Jobs in extractive industries are often passed down from generation to generation. Because the towns grow up around the industry, the industry is infused into the towns. For example, sports teams are named after the



industries: the now-renamed Houston Oilers for the oil industry, or the minor league Southern Illinois Miners. During the nineteenth century, there were at least ten minor league baseball teams with some variant of “coal heaver,” “coal miner,” or “coal baron” in their names. Labor unions representing these industries contribute to the local culture, as union halls are the loci of social interaction as well as political engagement.

Place and culture matter to communities. But they’re also essential to American politics. When a district is built around an industry, the politicians in that district are often leaders in, or otherwise beneficiaries of, that industry. Sometimes, this is the result of outsize political contributions from a specific industry to the region’s political actors, resulting in overzealous attention to addressing that industry’s concerns through policy and regulation. But it’s often more complicated than that. When a region’s core industry is economically sound, it acts as the main driver of the economy, and contributions from company officials or affiliated unions play a major role in electing local politicians. When the industry is in decline, politicians are usually fighting for its survival and, by extension, the survival of its surrounding community.

Yet, however well-meaning the sentiment, comparing coal jobs and solar jobs can easily come across like a repudiation of the generations of workers and communities dependent on that industry to scratch—or drill, or dig—out a middle-class living. Is it any wonder that these industries, and the places that rely on them, have a considerable impact on American politics? Is it surprising that these industries are often viewed as existential threats by local communities? Can we fault these industries for making their voices heard, sometimes in an outsize fashion, in American politics?

All Energy (and Climate) Is Local

While government officials and policymakers talk at a high level about a “just transition,” the actual work to move to more diversified and sustainable local and regional economies has been happening on the ground for decades.

The Apollo Alliance, which I helped to stand up in 2004, and later led as co-executive director, was one of the country’s first organizations focused squarely on the intersection of clean energy and economic development. It brought together business, labor, environmental, and community stakeholder groups to find common ground in developing policy strategies to advance a domestic clean energy agenda, with a primary

goal of creating good “green jobs” in communities across the country. The organization worked at the national level (through the Institute for America’s Future) to develop a comprehensive set of policy recommendations on everything from renewable energy to fuels to broad infrastructure investments supporting a shift toward cleaner energy systems; and at the state and local levels (through the Center on Wisconsin Strategy) to develop more specific policy and operational solutions for a diversity of states and regions. While the policy, communications, and fundraising work was centralized, the Apollo Alliance had multiple coalitions across the country, all of which brought together the same four stakeholder groups to implement policy wins on the ground. The alliance advanced several renewable portfolio standards, renewable fuel standards, energy efficiency and green building codes, and more, as well as developed the green jobs platforms for the 2008 presidential campaigns of Barack Obama, Hillary Clinton, and John McCain.

The Apollo Alliance came to recognize a central truth—that energy policy is fundamentally local in nature. Every part of the United States has a profoundly different relationship to the energy it uses and, therefore, to the policies and politics governing that energy use. For one thing, some states have much more extreme weather than others and are more dependent on energy (for heat and/or air conditioning) as a result. For another, each state relies most on the energy sources to which it has the best access. Some states are still surprisingly coal-dependent—not only the big mining states but also industrial Midwest states such as Wisconsin and Indiana. Some rely on hydropower, such as Washington and Oregon. Some actually still burn diesel for electricity, including parts of Alaska. Some are lucky enough to have fairly mild weather and very strong solar and wind resources; California is one of these states, at least its heavily populated coastal areas. Ultimately, each state has a different understanding of what constitutes clean and reliable energy and what exactly constitutes a good green job.

That’s the national and subnational story. But the United States doesn’t operate in an energy vacuum—it’s part of a much larger global energy system, where trade flows and geopolitics have as much influence as local consumption. In the early days of the Apollo Alliance, from about 2003 to 2008, macroeconomic concerns dominated. At that time, the United States was importing most of its oil and nearly all of its natural gas. Political leaders in both red and blue states were looking for domestic energy alternatives, such as solar and wind power, and for ways to reduce electricity bills

through energy efficiency measures. Gas at the pump was at a historic high price point, so this was also the era of alternatives like ethanol (including, briefly, cellulosic ethanol) and of notable moves toward more vehicle efficiency.

These years were characterized by neoliberalism, a paradigm of unfettered market capitalism that advocated the removal of government regulation and reduced state influence in the economy. The thinking was that capital, goods, and services would flow in an essentially flat and frictionless world, driving innovation, benefiting consumers, and maximizing shareholder value. The neoliberal era may be best summed up by that period's most celebrated chief executive officer, General Electric's **Jack Welch, who noted** in 1998 that ideally, "you'd have every plant you own on a barge to move with currencies and changes to the economy." This approach had an impact on climate and energy policy, with an emphasis on getting to "speed and scale."

Manufacturing and commercialization happened mostly offshore, with the resulting cheap solar panels and wind turbines coming back for installation in the United States.

The world has changed since 2008, however. Today, the United States is a net energy exporter. While prices fluctuate—in the past few years, oil and gas prices have hit both historic lows and historic highs—wind and solar prices have consistently declined. Now, the urgent rationale behind reducing energy use, and especially fossil fuel use, is not domestic production but climate change.

At the same time, neoliberalism has come under renewed criticism, with heightened focus on local economies that create tangible benefits for people and places. This new model, a central component of the current U.S. administration's economic strategy, has many drivers, not least the realization that neoliberalism, while it clearly helped to build a middle class in developing countries such as China, also increased inequality within developed countries as they hemorrhaged middle-skill manufacturing jobs. The United States and many other countries also experienced a stark wake-up call during the COVID-19 pandemic, when supply chains broke down and it suddenly became apparent there were many items the United States no longer knew how to manufacture.

These shifts in the U.S. energy economy and the broader approach to economic growth have refocused attention on the importance of local economies. In part, this is because of the recognition that investing in a new industrial economy could breathe new life into some of the same places that lost their industrial bases years ago (through

reinvestment into those same facilities and infrastructure). In contrast to the coal jobs versus solar jobs argument, this new attention to place-based policy recognizes that jobs in new clean energy industrial activities, including critical mineral mining, have more in common with past fossil-based industrial jobs—including more overlap in geography and worker skills—than do jobs in renewable energy and energy-efficient system installation. In part, it's because of the growing understanding that entire communities have not benefited from the prosperity brought by both the early Industrial Revolution and the more recent Digital Revolution. The emerging modern industrial policy recognizes the importance not just of GDP growth and jobs, but also of sustainability, resilience, and equity as core economic goals.

So, energy is local. But what about climate change, the core historical change pushing policymakers and industry to focus on the energy transition? It was once easy to think of climate change as a vague global phenomenon that didn't really touch individual lives, but that era has long passed. Climate change is, if anything, even more of a local phenomenon than energy extraction and use.

The impacts of a warming climate happen at a very local level. In 2014, the Risky Business Project, co-chaired by Mike Bloomberg, Hank Paulson, and Tom Steyer, set out to bring the esoteric global discussion of climate change down into the realm of place-based policy and investment. The project, which I led as the founding executive director, was launched to better understand the economic impacts of climate change on specific U.S. regions and industries. It determined that climate impacts, such as extreme heat, sea-level rise, and storm surge, not only happen in different parts of the United States, but also impact these regions differently depending on the core industries and economies that power each region. Since the initial report's publication ten years ago, this focus on the regional differentiation of impacts has been taken up by scientific bodies in the United States (for example, the U.S. Global Change Research Program's National Climate Assessment) and internationally (for example, the Intergovernmental Panel on Climate Change).

The Risky Business Project, and studies that followed, revealed that there will be highly varied but increasingly significant regional climate impact differences across the United States. In the Southwest, it will get so hot by mid-century that workers in “high-risk” outdoor industries such as construction will likely only be able to work at night. Along the Eastern Seaboard and Gulf Coast, sea-level rises and warming oceans



will mean more frequent and severe storms and more properties entirely under water. For Midwestern agricultural economies, hotter temperatures will impact core crops such as corn and soy. In the Northwest, things at first look pretty stable, but this region will experience increased wildfires, higher threats to oyster and salmon fisheries from ocean acidification, and influxes of climate refugees moving north. Climate impacts are even more variable and extreme outside the United States, especially in the Global South. There is no global policy answer to the question of how individual communities, workers, and industries will adapt and become more resilient in the face of these impacts.

At the same time, policies intended to reduce greenhouse gas emissions and slow down future climate impacts are equally local, because, of course, energy production and consumption—historically the main contributor to climate change—are local. Reducing emissions in a state that relies on coal for jobs and electricity is a far different proposition than in a place that has never had a coal plant and where solar energy is cheap and plentiful. Similarly, reducing emissions in a country that has already gone through a productive Industrial Revolution is a far different proposition than in one just beginning to build out its infrastructure, supply chains, and export markets.

Climate Impacts on Extractive Communities—A Double Whammy

For communities with extractive industries, especially those focused on fossil fuels, climate change is a double threat. The emissions humans have already put into the atmosphere at a global scale will cause local impacts that will, in turn, disproportionately affect the very parts of the United States where fossil fuels are concentrated: the Gulf Coast, Appalachia, Alaska, and the Intermountain West. And extractive industries, with their highly capital-intensive facilities and industrial installations, will be particularly sensitive to place-based climate effects. Already, Hurricane Katrina in 2005, Hurricanes Harvey and Irma in 2017, and countless more recent events—including some of the twenty-eight billion-dollar disasters in 2023—have taken out significant parts of our national oil infrastructure at least temporarily, disrupting national and even international supply and prices.

At the same time, state and federal efforts to slow down the march of climate change—efforts that are absolutely necessary to avoid near-apocalyptic impacts later this



century—will ultimately require a dramatic decline in fossil fuel use. It's generally understood that to bring global temperature increases toward a more stable level (and ideally to below 1.5 degrees Celsius), the world will need to do three things: electrify nearly everything, use renewable or low-carbon energy wherever possible to power that electricity, and use far less electricity in general. Those steps will lead the globe toward a more stable climate, but they also may signify the end of economic stability for places that have grown up around extractive industries such as coal, gas, and oil.

Managing the Transition

The United States has undergone economic transitions before, a historical fact that becomes all the more evident when considered from a regional perspective. Many factories that anchored the industrial Midwest and northern New England economies in the mid-to late-twentieth century have since been shuttered—first moving to Southern and Western states with lower wages and fewer labor protections and then eventually moving overseas. The timber industry is a perfect example of a resource-based economy moving overseas; wood became cheaper and easier to import, leaving entire communities in northern California, Maine, and the upper Midwest without a strong job or tax base.

While globalization was the key economic transition driver at the end of the twentieth century, today it's likely to be automation and artificial intelligence. As pundits wring their hands about the potential for autonomous vehicles to displace millions of truck drivers across America, automation can seem like a new phenomenon. But it's not new to the energy sector: coal miners in West Virginia were laid off in waves throughout the 1980s as a result of the switch from strip mining to mountaintop mining, which requires fewer workers and more machines. The manufacturing, agriculture, and construction sectors—which mostly provide good middle-class jobs—have also experienced layoffs, as robots have taken over key jobs.

Many of these transitions advanced overall U.S. economic growth and prosperity, but this positive GDP growth and national competitiveness sometimes masked the pain felt by specific industries, workers, and communities.

Tomorrow's transition drivers won't just be globalization and automation, but rather a combination of them plus climate change. These three global trends are already



moving our world from one where people and jobs are rooted in place to one where mobility is the key to survival. Those industries that are the least mobile—those where jobs and culture are most tied to physical places—will have the hardest time adapting, which may result in serious political and social discontent.

Here's the good news, however: the pain and discontent can be mitigated. American history is full of success stories about moving from one industry to another. Workers left agriculture in droves to move to cities during the Industrial Revolution.

Manufacturing towns such as Pittsburgh have been recast as hubs of healthcare innovation and education—though, in fact, the bulk of the region's economic progress this decade has come from the shale gas boom in southwestern Pennsylvania. Still, Pittsburgh has successfully transitioned away from its roots as a steel town, while holding onto some of its industrial culture and traditions (the Pittsburgh Steelers haven't changed their name, and the town is still home to the United Steelworkers headquarters). The "Tobacco Road" that used to run through North Carolina is now a road leading through the Research Triangle, known for biotech innovation. These transitions weren't accidents; they were the result of careful planning by the government, civic institutions, and the private sector.

The United States knows how to do economic transitions well—but the country also has plenty of experience creating ghost towns when their industries go overseas or become obsolete. Think of the communities once anchored by steel and auto plants in Gary, Indiana and Flint, Michigan; the gold rush towns in California and Nevada; and the coal mining towns in West Virginia.

Over the coming decades, the world will see a whole new crop of extractive industry communities either hammered by climate impacts or hollowed out by declining consumer demand. This series of essays looks at the question of what happens to American culture and politics when place-based industries are threatened and, ultimately, how to make these transitions less scary and more equitable for workers and communities. This challenge is both moral and political, and U.S. policymakers and industry leaders will not be able to contribute to global climate goals if they do not make the energy transition work for real people in real communities.



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RESOURCES LEGACY FUND
CREATIVE SOLUTIONS. LASTING RESULTS.



California Climate-Smart Economy Initiative

Reimagining Climate Leadership Through Economic Prosperity

A Discussion Paper — July 2025

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Introduction and Overview

California faces a perfect storm: a cost-of-living crisis, federal attacks on climate policy, and mounting wildfire expenses threaten our climate leadership just when the nation needs it most. Political support for climate ambition is fading--and if California cannot lead, U.S. climate policy is in danger.

This crisis is an opportunity to broaden our policy and political playbook and reinvigorate our movement. At a moment of profound challenge and opportunity, California must once again step forward—not just as a model for climate action, but as the architect of a new **climate-smart economy**.

What is a climate-smart economy? It's one that **delivers broadly-shared prosperity, economic resilience, and local community benefits**. It's one that responds to the reality that we need an economy-wide transition that drives sustainable and inclusive economic growth, cuts daily costs, and creates businesses in every region. And one where climate policy solutions are fundamentally aligned with the global scale of the climate crisis—not merely delivering greenhouse gas emissions reductions within the state.

We are proposing an 18-month effort, through the inauguration of the next California governor in 2027, to grow and align a broad coalition around key principles and goals fundamental to delivering a climate-smart economy, including a detailed and implementable policy playbook focused on both near-and longer-term opportunities.

We envision connecting thought leaders across the climate, economic development, and workforce development communities, through our strong and broad networks across California's regions, to shift both the climate and the economic conversations to meet this moment.

After two decades of leading the nation on climate policy, California's traditional playbook of emissions reduction-focused regulation and cleantech incentives is no longer sufficient on its own. Federal attacks on state climate authority, voter concerns about affordability, and the disconnect between climate promises and on-the-ground economic reality have created an urgent need for a new approach that can both complement regulatory ambition and open new paths.

The challenge isn't just a result of messaging or outreach—it's also felt in our policy outcomes. **We need to own up to the fact that not everything we in the climate movement have spent years building is working on its own—we need to do more.** We cannot expect pollution rules and air pollution agencies alone to deliver state economy-wide changes, much less navigate the complex geopolitical tactics needed to drive forward a global clean economy. Without abandoning our progress, **it is time to build the government offices, policies, and field capacity needed to execute a whole-of-economy strategy**. This moment demands a fundamental shift in our vision and strategy for success, and a much broader field of political engagement.

Over the last six months, Resources Legacy Fund has partnered with key architects of the current system who are now advocating for a new approach: Kate Gordon, Nuin-Tara Key, Alvaro Sanchez, and Craig Segall.

This working group coalesced around a fundamental inquiry: Can California build an enduring climate agenda that strengthens social and economic resilience while delivering measurable prosperity across the state? And would there be shared interest and energy in a project to develop such an agenda?

Through extensive conversations with dozens of civic leaders, policymakers, experts, and funders, we have identified four key challenges and opportunities to engage:

- **Economic anxiety and inequality are driving political change** while state-level support for climate action is waning.
- **Federal attacks on California's climate regime are accelerating** as traditional climate messaging loses its power.
- **America is losing the clean tech and infrastructure delivery race** at a time when tangible benefits matter most.
- **The "field" needs capacity growth** to meet these mounting challenges.

Our initial evaluation revealed broad agreement that pollution reduction standards alone cannot build sustained political support—and that ambitious policies driving economic prosperity are a natural and necessary next step. These concerns are not theoretical: Already, senior state leaders have considered freezing the state's marquee Low Carbon Fuel Standard in the face of projected refinery closures and gas price increases, while the Vice Chair of the California Energy Commission is calling for a sustained and funded economic transition strategy to address those same challenges.

We need a policy response grounded in these new political and economic realities. The next playbook absolutely needs to incorporate and rebuild pollution laws, or reimagine these laws where it makes sense. But it also must be grounded in solutions that help the whole state economy uncouple from fossil fuels without major supply shocks, in ways that build up new diversified economies while cutting daily costs like energy, housing, food, and transportation. And it needs to materially address the real economic and fiscal impacts of a changing climate.

Building and Delivering a Climate-Smart Economic Initiative

With new statewide leadership taking office in January 2027, our working group sees a narrow window to bring the climate-smart economy agenda to life. We envision a linked political and policy strategy that explicitly uses policy development to help expand and orient the field towards a durable political position. Our conversations indicated the need for five key strategies:

1. **Develop a comprehensive near- and long-term policy playbook** through cross-sector stakeholder convenings and technical research.
2. **Create a compelling vision, narrative, and message** about what a climate-smart economy could deliver.
3. **Educate decision-makers** about the playbook, including current and future candidates and legislative champions.
4. **Build a broader coalition** spanning business, labor, local government, rural communities, and environmental justice advocates.
5. **Create field capacity** for sustained advocacy through cross-sector trust building, organizer training, and grassroots engagement.

The stakes couldn't be higher. California has both an opportunity and a duty to lead. Its position as the world's fourth-largest economy gives the state unique power to demonstrate that climate action and economic prosperity are mutually reinforcing.

It's critical to defend our ability to regulate in a strategic and effective manner. But we can't regulate or defend our way to victory—we need a proactive strategy to build a climate-smart economy that works for working families, delivers economic prosperity, reduces emissions, and makes our society more resilient.

This is the moment to pursue an integrated approach that rebuilds public trust in climate policy by delivering tangible benefits across multiple issue areas: climate, economic development, workforce, governance, and democratic engagement.

For philanthropy, this is a unique window to shape the next generation of climate leadership—not just for California, but for the country—and for laying the foundation for a durable, just, and resilient climate economy that can once again lead the world.

Key Challenges: Economic Anxiety, Political Headwinds, and Delivery Failures

Stakeholders identified several interconnected challenges to California's climate leadership:

Economic anxiety is driving political change. California voters prioritize "getting costs under control" above environmental concerns. Acute economic inequality, combined with declining faith in the government's ability to deliver change, imperil climate progress. Recent polling shows California lags Texas in voter satisfaction with cost of living. Candidates who spoke vigorously to economic concerns rose to the top in the 2024 election. Regional inequalities, including long-term challenges in rural and inland California, further exacerbate these dynamics.

California is the second-worst state in the nation for income inequality. Despite our movement's promise of "green jobs," ***the truth is that for many Californians today, it's harder to achieve basic economic security than it was in 2006 when the state catapulted into climate leadership with the passage of Assembly Bill 32.***

A November 2024 poll by the Public Policy Institute of California found that supermajorities of California voters wanted policymakers to prioritize "getting costs and inflation under control" and "building an economy that gives every American a chance to succeed." In the 2024 general election, the California electorate demonstrably shifted to the right, giving Kamala Harris the lowest vote share for a Democrat in 20 years, and flipping 10 counties and a handful of state legislative seats from blue to red.

More recent polling indicates that California's high cost of living far outweighs the environment as a concern for the state's voters, and that California lags red states when it comes to voter satisfaction with the cost of living and quality of life. ***Conditions are brewing for bigger change in California's political leadership; they do not bode well for climate policy.***

Climate messaging is losing its power and state-level ambition is waning. The focus on global carbon levels and regulatory leadership no longer resonates beyond a narrow base

of highly-informed climate activists. Messaging about security, energy dominance, and consumer prices—often funded by a persistent and resilient fossil fuel industry and its allies—is winning by tapping into real economic fears.¹ Working people see insufficient tangible benefits from climate policy. As a result, California political reality increasingly does not support climate ambition—and traditional regulatory approaches are unlikely to win back support on their own.

Federal attacks are accelerating while we're losing the delivery race. The current administration is challenging California's climate authority through legal attacks, executive orders, and clawbacks of federal climate investments. Meanwhile, from our aging power grid to our housing crisis to our high speed rail project, California is losing its reputation for building big. While China built an entire high-speed rail network, California remains in its third decade trying to build a single line. It takes too long and costs too much to build big things here, and voters are taking notice.

The "field" needs capacity growth. We need actors across our state and economy—not just dedicated environmental advocates—to demand action and help deliver outcomes. Existing activist and advocacy organizations are struggling: stakeholders report low levels of trust, a lack of leadership, entrenched positions, low institutional knowledge, siloing, and a culture of distrust as prevalent in the California climate ecosystem. Attacks on communities are draining the mental and emotional capacity of advocates to focus on long-term planning and strategy. High turnover in organizations and government has resulted in a decline in expertise and field capacity. Without the field infrastructure to produce more comprehensive policy agendas and to broaden the field of advocates and experts to engage economic and regional leaders beyond the traditional climate left, it is unlikely that we can build the necessary power and grassroots leadership required to deliver a climate agenda.

Much of this anxiety manifests in concerns about "affordability"—including rising electricity rates and a transportation fuels market with unique vulnerabilities to high prices. Recent efforts to reframe climate communications and policy campaigns around affordability are beginning to address these concerns. We see a need to build on these efforts, which are primarily focused on near-term messaging and policy solutions, to create a field-shifting vision that can durably protect and extend climate action throughout the entire economy. It's time to look beyond the immediate "affordability battlefield" to build new approaches to climate policy that will deliver on both sides of the affordability coin: on the one hand, lower costs for more sustainable and resilient goods and services; on the other, the shared economic prosperity necessary for all Californians to be able to pay.

The Case for A Broader Approach: Beyond Regulatory Policy Alone

In our conversations, we heard broad support for the proposition that California must update its vision of climate progress and focus on delivering results for working people—and that a fundamental challenge lies in the reality of how our climate policies work on the

¹ Passage of Proposition 4, California's Climate Bond, in November 2024 should not be seen as a testament to the power of climate messaging. The ballot title and campaign messaging emphasized safe drinking water, wildfire, and other elements that tested best with voters.

ground.

The experts we spoke with described various ways that scaling up a climate-aligned economy is a different task than the one California's current climate policies were designed to solve:

- The regulatory approach of the 1970s, extended in the last decades to manage greenhouse gases like local pollutants, achieved important gains including reduced emissions, cleaner air and commercially viable clean technologies.² Strong pollution standards and big climate investments are critical. But an economy-wide energy transition requires not only cleaning up existing industry but also **building out a new set of infrastructure and industries** that will be the backbone of a new climate economy, while not worsening economic inequality.
- Our core climate policies **limit California's influence by prioritizing greenhouse gas pollution cuts in California over effective contributions to a global clean transition**. Both the cap-and-trade program and the revenue it produces are focused on reducing tons of greenhouse gas emitted in California. This is an understandable goal—and reductions of toxic and smog-forming pollutants are urgently needed—but it misses the larger global context for greenhouse gas pollution, in which in-state reductions alone are a partial and misleading metric for progress.
- Over the last two decades, the U.S. climate movement led by California has focused primarily on driving innovation and technological solutions through regulatory policy, with an emphasis on setting and pursuing ever-more-ambitious "net zero" or carbon neutrality goals in specific economic sectors. But **that task is not one emissions regulations can perform on their own**. The problem now is the need to mainstream and attract private capital to technological advances that can accelerate economic transformation, while ensuring the durability of that transformation by easing long-standing inequities, promoting public benefits, and building resilience to climate and economic shocks.
- It also is increasingly important to **address the climate impacts that are already baked into our system with ever greater costs as a result**. The anticipated costs of adaptation in California are breathtaking; even in "good" fiscal years, they have been secondary to emissions reduction programs and have begun to compete with the broader social safety net for public dollars. Without a change in direction, state and local budgets will be crunched, pinching both mitigation and resilience budgets, and creating real possibility of municipal bankruptcies. This looming threat requires managing physical risks in ways that better align economic incentives toward investment in climate adaptation, rather than continuing to shift disaster costs onto taxpayers through public budgets.

Throughout our conversations, many experts emphasized the need to design **climate policy that works for working people**. By not bringing in economic policy tools in tandem with climate policy tools, we've lost touch with the very people we need to welcome with more far-reaching climate action. We need to expand our thinking about what

² California Air Resources Board Summary of Emissions Data 2000-2020 <https://ww2.arb.ca.gov/ghg-inventory-graphs>

constitutes meaningful climate action; without equally ambitious policies driving economic equity and resilient economic development, our existing policy tools are not sufficient to affect a just energy transition or build political will.

Pathways for Integrating Climate and Economic Policy

California's climate policy framework has set greenhouse gas emissions reductions as the primary metric for success, including by centering climate action in its air pollution regulator, the California Air Resources Board (CARB). Although California has a few high-level economic offices, CARB has no real economic development agency-scaled partner that can pair climate regulations with a broad-based economic strategy. And while the state has made significant progress in maturing its resilience agenda, it still lacks durable funding and financing streams and delivery structures for adaptation and resilience planning and implementation.

Predictably, this unbalanced structure has not resulted in comprehensive and durable state and regional economic delivery capacity for climate-aligned economic programs, and has led to under-investment in approaches that also support improved quality of life at the local level. The state regularly debates the best use of CARB's cap-and-trade revenue, even though these funds represent only a few percent of the total state budget—and those revenues, by law, often cannot be deployed to drive forward whole-of-economy strategies. Now, courtesy of federal rollbacks and state cost-of-living concerns, CARB is losing both authority and political support —ultimately because it is being asked to do a job that it isn't designed to do.

It is time for a real policy conversation about the agencies, tools, and investments California needs to pivot its economy at scale to meet this moment. This year's legislative session has accelerated the conversation, with high stakes legislation and debate on the carbon market, power grid, and CEQA system—but so far, without a clearly aligned political and policy theory to deliver long-term change and unified environmental and economic development community engagement. We aim to help produce that shared theory of change, with aligned thought leadership and a strong and diversified field to help deliver it.

We aim to explore ways to pivot California's climate policy framework to **include goals and metrics for economic development, equity, adaptation, and resilience** that have the potential to broaden its impact and appeal, and **backing them with government and market capacity and funding to deliver**.

Fundamentally, addressing urgent climate issues requires both short-term and long-term policy approaches. Longer-term policy approaches include instituting more consistent and coordinated investment into promising technologies and programs; driving workforce and economic development solutions that help communities access new opportunities; and generating sustained, durable funding and financing to invest in making the economy more resilient. **These policy approaches can raise incomes and access to clean energy and economic opportunities, while driving down energy costs.** Below we summarize some of the initial policy concepts that we heard and would further develop.

Aligning Market Incentives and Building a Distributively Fair Economy

There is a significant gap between current investment and what is required to reach even our existing climate and economic goals. We can build strategies that scale up capital in key sectors, aid transitions away from fossil fuels through economic diversification and regional budget stabilization, and grow private firms in areas of California comparative advantage within the global clean economy. Key strategies include:

- **Scale up state and local capacity with purpose-built agencies.** Explore creating a cabinet-level economic development agency for California that can deliver a climate-aligned economic agenda, both through its own work and through alignment with other key agencies and departments. In the near term, consider working with the Governor's Office to drive stronger coordination of existing efforts and establishment of more high-level, economy-focused roles within climate and energy agencies.
- **Reimagine public funding for climate:** Direct proactive coordination between California state funding entities around a shared climate-aligned economic strategy—including merging funding streams where possible. Create more stable, predictable revenue streams linked to economic development and climate policy, moving beyond the current siloed approach focused primarily on grants to commercialize clean technologies.
- **Driving private investment:** Nearly 70 percent of all global clean energy investment came from private sources in 2024. Identify strategies to better align the state's climate goals with private investment opportunities, including through industrial policy approaches that bear fruit in other states and countries. In the near term, work with the I-Bank and GOBiz to scale up their early "Investor Exchanges," and Climate Catalyst Fund loan approaches to reach a broader and more diversified investor audience, and a wider set of projects on the ground.
- **New approaches to accelerate economic opportunities:** California has advantages in multiple global sectors that can drive decarbonization, but needs to exploit these in a thoughtful and strategic way that prioritizes durability, resilience, and regional strengths. Target regional economic growth strategies, including "Green Empowerment Zone" models and "Climate Resilience Districts" to help drive investment and improve insurability at the community scale.
- **Accelerated project delivery:** Speed up approvals and construction of key projects while reducing overall cost. Automatic or near-automatic approvals for key projects in the right places would yield large climate and economic results.

Regional Strategies for Resilient Growth

In California, our regions are the size of many states, with a similar diversity of resources, economic opportunities, and cultures. As the federal government pulls back from climate funding, it is more important than ever to pivot towards a region-by-region orientation that drives shared prosperity through:

- **Regionalizing investment:** Build out regionally specific aligned regulatory, incentive, and investment strategies to promote specific clean industries and diversified economic transitions in key regions, with a focus on inland and rural California, as well as neglected urban cores.
- **Tying revenue streams to regions:** Create stable, predictable revenue streams

linked to durable, competitive economic development and climate policy that builds on key assets in each region, from viable forest management and bioeconomy strategies in the mountain counties, to meaningful agricultural and carbon sequestration opportunities in the Central Valley, to an innovative creative and tech economy on the coast.

Climate and Social Resilience

Climate mitigation and resilience investments not only avoid future harm; they strengthen communities through economic growth and equitable development. Driving regions-up, inclusive economic development that will result in long-term support for economic transformation requires the state to ensure deep community engagement, foster cross-sector collaboration, make investments accessible and transparent, build local community capacity, and integrate place-based solutions. Key approaches include:

- **Community benefits:** Explore ways workforce and community agreements (Community Benefits Agreements, Good Neighbor Agreements, Project Labor Agreements) can become standard practice in infrastructure and climate spending.
- **Innovative Business Models:** Explore models for alternative corporate and ownership structures, including incentives for Public Benefits Corporations, employee ownership models, and equity sharing between project developers and key stakeholders.
- **Transition plans for communities:** Build on California's progress by establishing a coordinated cross-agency approach that leverages state funds and policy levers, looking at models from other states and countries, such as the creation of an Office of Energy Transition (similar to CO, NM, and other Western states).
- **Tackling the insurance crisis:** Couple sustained investment in risk reduction with regulatory reforms that improve overall market sustainability. Explore additional regulatory, budget, and policy changes that improve insurability and address government budget volatility.

Building and Delivering a "California Climate-Smart Economy Initiative"

Over the past six months, our conversations have revealed a consensus that for a new climate policy agenda to be successfully passed and implemented, both the government and the movement must transform to create new capacity, broader coalitions, and political power.

This requires designing a set of policies that can reinforce a stronger and more resilient climate constituency. To this end, we propose inviting leaders from across our broad networks of economic, climate, resilience, and equity organizations to iterate towards a clear set of goals and a long-term implementation plan supported by a broad field. We seek an active set of partners and evangelists who believe an integrated climate and economic agenda can deliver for them and their constituents. This requires a strong communication, outreach, and advocacy strategy to deliver both a clear vision and its sustained implementation.

California will have new political leadership in January 2027, and we must start preparing

now. The near-term timeline we envision would focus on introducing policy ideas responsive to emerging issues throughout 2025, and engaging directly with the growing field to test and develop principles for our shared engagement—with this effort maturing throughout 2026 through policy forums, engaged media work, and policy development—all designed to deliver a clear direction and implementable policies for new leadership.

Conclusion

Our climate future is threatened by legal, political, and economic headwinds. California has led the U.S. and the world in climate action, but its leadership going into the next phase of climate policy is unclear. As the federal government retreats and the world economy rushes forward, California has a chance to lead again.

There is growing consensus that neither the historic emissions-first regulatory approach nor a laissez-faire faith in the economics of clean energy will be enough to steer the state and the world through the choppy waters ahead. Instead, California will need to face its economic challenges and take an active role in solving them—making the investments that can help complete a fair economic transition.

Climate leadership cannot rest on blocking attacks on climate progress; it must include rethinking our climate policy solutions so that they equally value and deliver economic prosperity, emissions reductions, and resilience.

Let's show the world that the fourth largest economy in the world can again design climate and economic policies that deliver for people, the planet, and our future.³

³ Special thanks to early reviewers of this paper and to Tim Raphael for writing and editing support.

AMENDED IN SENATE JUNE 27, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 131

**Introduced by ~~Assembly Member Gabriel~~ Committee on Budget
(Assembly Members Gabriel (Chair), Addis, Ahrens, Alvarez,
Bennett, Bonta, Connolly, Fong, Haney, Hart, Jackson, Lee,
Muratsuchi, Ortega, Patel, Petrie-Norris, Quirk-Silva, Ramos,
Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Ward, and
Wilson)**

January 8, 2025

~~An act relating to the Budget Act of 2025. An act to add Article 3 (commencing with Section 50245) to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety Code, and to amend Sections 21080.1, 21080.47, 21080.51, 21094.5.5, and 21167.6 of, and to add Sections 21060.4, 21064.8, 21067.5, 21080.085, 21080.44, 21080.48, 21080.49, 21080.55, 21080.57, 21080.69, 21080.70, and 21083.03 to, the Public Resources Code, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.~~

LEGISLATIVE COUNSEL’S DIGEST

AB 131, as amended, ~~Gabriel Committee on Budget. Budget Act of 2025. Public Resources.~~

(1) Existing law establishes the Homeless Housing, Assistance, and Prevention program, administered by the Interagency Council on Homelessness, with respect to rounds 1 to 5, inclusive, of the program, and the Department of Housing and Community Development, with respect to round 6 of the program, for the purpose of providing jurisdictions, as defined, with one-time grant funds to support regional

coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified.

This bill would establish round 7 of the program. The bill would authorize the Department of Finance to augment Item 2240-001-0001 of the Budget Act of 2025 by \$8,000,000 from the General Fund to prepare to administer round 7 of the program, as specified. The bill would require the Department of Finance to provide notification of any augmentation within 10 days to the Joint Legislative Budget Committee. The bill would, effective July 1, 2026, appropriate \$500,000,000, as specified, provided that these funds be disbursed in accordance with specified requirements, including that funds from this appropriation be disbursed to a city, county, tribe, or continuum of care for round 7 of the program after a declaration by the director of the department, in consultation with the Director of Finance, that the department has substantially completed its initial disbursement of round 6 funds to the city, county, tribe, or continuum of care, and that the city, county, tribe, or continuum of care has obligated at least 50% of its total round 6 award. The bill would state the intent of the Legislature to enact future legislation that specifies the parameters for round 7 of the program, as specified.

(2) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA requires the Office of Land Use and Climate Innovation to prepare and develop proposed guidelines for the implementation of CEQA by public agencies and requires the Secretary of the Natural Resources Agency to certify and adopt those proposed guidelines. CEQA requires those adopted guidelines to include a list of classes of projects that have been determined not to have a significant effect on the environment and exempts those classes of projects from CEQA, commonly known as categorical exemptions. CEQA requires the guidelines to include criteria for public agencies to follow in determining

whether or not a proposed project may have a significant effect on the environment, and requires the criteria to require a finding that a project may have a significant effect on the environment if one or more of specified conditions exist.

This bill would exempt from CEQA, except as provided, a rezoning that implements the schedule of actions contained in an approved housing element, as specified. The bill would require the lead agency to be responsible for determining whether a project is exempt from CEQA. By requiring a lead agency to determine the applicability of the exemption and by increasing the duties of a lead agency, the bill would impose a state-mandated local program.

This bill would, for the approval of a proposed project that would otherwise be exempt from CEQA pursuant to a statutory exemption, or specified categorical exemptions adopted before January 1, 2026, but for a single condition, as specified, limit the application of CEQA to the effects upon the environment that are caused solely by that single condition. For these projects, the bill would only require the initial study or EIR to examine those effects that the lead agency determines, based upon substantial evidence in the record, are caused solely by the single condition that makes the proposed project ineligible for a statutory or categorical exemption. The bill would provide that these provisions do not apply to, among other things, a project that includes a distribution center, as defined, oil and gas infrastructure, as defined, or a project located on specified natural and protected lands, as defined.

This bill would exempt from CEQA specified new agricultural employee housing projects and projects consisting exclusively of the repair or maintenance of an existing farmworker housing project.

Existing law exempts from CEQA, until January 1, 2028, specified projects that, among other things, do not affect wetlands or sensitive habitats, undertaken by a public agency or private entity that primarily benefit a small disadvantaged community water system or a state small water system, as provided. Existing law defines various terms for these purposes.

This bill would extend the applicability of that exemption until January 1, 2032, and would expand the definition of a project for purposes of the exemption to include a project to provide sewer service to a disadvantaged community served by one or more inadequate sewage treatment systems, as defined.

This bill would, until January 1, 2030, exempt from CEQA specified projects for a community water system that receives funding from

specified sources that does not otherwise include any construction activities if the project results in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery and includes procedures and ongoing management for the protection of the environment. This bill would exempt from CEQA wildfire risk reduction projects, including, among other things, projects for prescribed fire, defensible space clearance, and fuel breaks.

Existing law exempts from CEQA specified projects that consist of linear broadband deployment in a right-of-way if the project meets specified conditions.

This bill would expand that exemption to include a right-of-way of a local street or road.

This bill would exempt from CEQA updates to the state's climate adaptation strategy, as provided.

This bill would exempt from CEQA any activity or approval necessary for or incidental to planning, design, site acquisition, construction, operation, or maintenance of public park or nonmotorized recreational trail facilities funded by a specified source.

This bill would exempt from CEQA, except when located on natural and protected lands, as defined, a project that consists exclusively of a day care center, as specified, a project that consists exclusively of a federally qualified health center or a rural health clinic, as specified, a project that consists exclusively of a nonprofit food bank or food pantry, as specified, and a project that consists exclusively of a facility for advanced manufacturing, as specified.

This bill would exempt from CEQA a project that consists of the development, construction, or operation of a heavy maintenance facility or other maintenance facility for electrically powered high-speed rail, as defined, if specified conditions are met. The bill would exempt from CEQA a project that consists of the development, construction, or modification of a proposed passenger rail station, or design changes to a passenger rail station, for the purpose of serving electrically powered high-speed rail, if specified conditions are met.

Because a lead agency would be required to determine the applicability of some of the above-described exemptions, the bill would impose a state-mandated local program.

(3) Existing law, the Administrative Procedure Act, sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

This bill would require the office, on or before July 1, 2027, to map the eligible urban infill sites within every urbanized area or urban cluster in the state, as provided. The bill would require the office to develop a definition of and metrics for identifying an eligible urban infill site, as provided. The bill would require the office, at least 120 days before initial adoption of a map of eligible urban infill sites, to transmit a copy of the draft map or revision to the board of supervisors of each county and to the city council of each city in which any portion of the mapped area is located. The bill would authorize a city, county, or city and county to submit comments and proposed corrections and would require the office to consider those comments or proposed corrections and revise the draft map as appropriate. The bill would require the office to publish the draft map on its internet website for at least 45 days, conduct at least one public meeting to present the draft map, and receive public comments, as provided. The bill would authorize the office to amend any portion of the map, as provided. This bill would exempt the adoption or amendment of a map of eligible urban infill sites and the development of the definition of and metrics for identifying an eligible urban infill site from the Administrative Procedure Act.

Existing law limits the application of CEQA to the approval of an infill project, as defined, to the effects on the environment that are specific to the project or to the project site and were not addressed as significant effects in the prior EIR or where substantial new information shows the effects will be more significant than described in the prior EIR, as provided. Existing law requires the office to prepare, develop, and transmit to the Natural Resources Agency for certification and adoption guidelines to implement this provision.

This bill would, on or before January 1, 2026, and at least once every 2 years thereafter, require the guidelines to be updated to address any rigid requirements, lack of clarity in vague terminology, and the potential for excessive exposure to frivolous litigation over lead agency determinations, as specified.

(4) CEQA requires an action or proceeding to attack, review, set aside, void, or annul certain acts or decisions of a public agency to be commenced according to specified processes, including that at the time that the action or proceeding is filed, the plaintiff or petitioner is required to file a request that the respondent public agency prepare the record of proceedings relating to the subject of the action or proceeding, and requires the record of proceedings to include specified items and materials, including, among other things, all internal agency

communications, including staff notes and memoranda related to the project or to compliance with CEQA, but excluding communications that are of a logistical nature, as specified.

This bill would, except for a project that includes a distribution center or oil and gas infrastructure, exclude staff notes and internal agency communications from the record of proceedings, as provided.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(6) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2025.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 3 (commencing with Section 50245) is
2 added to Chapter 6.5 of Part 1 of Division 31 of the Health and
3 Safety Code, to read:

4
5 Article 3. Round 7 of the Homeless Housing, Assistance, and
6 Prevention program
7

8 50245. (a) Round 7 of the Homeless Housing, Assistance, and
9 Prevention program is hereby established.

10 (b) Effective July 1, 2026, the sum of five hundred million dollars
11 (\$500,000,000), less the amount of funding that has been
12 transferred to Item 2240-001-0001 of the Budget Act of 2025 from
13 the General Fund pursuant to subdivision (d), is appropriated,
14 provided that these funds shall only be disbursed in accordance
15 with both of the following:

16 (1) None of these funds shall be allocated until after enactment
17 of legislation declaring that it addresses the issues described in
18 subdivision (c).

1 (2) Funds from this appropriation shall only be disbursed to a
2 city, county, tribe, or continuum of care for round 7 of the program
3 after declaration by the director of the department, in consultation
4 with the Director of Finance, that both of the following are true
5 of the particular city, county, tribe, or continuum of care that is
6 the subject of the disbursement, with respect to round 6 of the
7 Homeless Housing, Assistance, and Prevention program:

8 (A) The department has substantially completed its initial
9 disbursement of round 6 funds to the city, county, tribe, or
10 continuum of care.

11 (B) The city, county, tribe, or continuum of care has obligated
12 at least 50 percent of its total round 6 award.

13 (c) (1) Consistent with paragraph (1) of subdivision (b), it is
14 the intent of the Legislature to enact future legislation that specifies
15 parameters for round 7 of the Homeless Housing, Assistance, and
16 Prevention program.

17 (2) The following conditions and priorities shall be incorporated
18 into the implementation of round 7 funding, with subsequent
19 legislation to specify the extent to which each shall apply:

20 (A) Having a compliant housing element.

21 (B) Having a local encampment policy consistent with
22 administration guidance.

23 (C) Having a prohousing designation.

24 (D) Leveraging local resources to scale state investments.

25 (E) Demonstrating progress on key housing performance
26 metrics.

27 (F) Demonstrating urgency and measurable results in housing
28 and homelessness prevention.

29 (d) (1) (A) The Department of Finance may augment Item
30 2240-001-0001 of the Budget Act of 2025 by eight million dollars
31 (\$8,000,000) to prepare to administer round 7 of the Homeless
32 Housing, Assistance, and Prevention program.

33 (B) The Department of Finance shall provide notification of
34 any augmentation within 10 days to the Joint Legislative Budget
35 Committee.

36 (2) (A) The administrative costs for round 7 of the program
37 shall not exceed 5 percent of the total allocated for round 7 of the
38 program.

39 (B) The amounts provided in paragraph (1) are included in the
40 5 percent to be allocated for this purpose.

1 SEC. 2. The Legislature finds and declares both of the
2 following:

3 (a) The California Environmental Quality Act (CEQA; Division
4 13 (commencing with Section 21000) of the Public Resources
5 Code) provides communities across California with important
6 safeguards against projects like fossil fuel plants and warehouses
7 that have caused real environmental harm to residents of the state.
8 Too often it has resulted in delays to essential projects that are
9 key to solving the state's housing crisis and to strategic
10 development that is necessary to maintain California's position
11 as the fourth largest economy in the world.

12 (b) Over the last several years, the Legislature has enacted
13 numerous provisions that streamline CEQA, including, but not
14 limited to, reforms to administrative records, court timelines, and
15 the level of environmental review of projects in the areas of water,
16 transportation, clean energy, and housing.

17 (c) CEQA should not be used primarily for economic interests,
18 to stifle competition, to gain competitive advantage, or to delay a
19 project for reasons unrelated to environmental protection.

20 SEC. 3. Section 21060.4 is added to the Public Resources Code,
21 to read:

22 21060.4. "Distribution center" means a warehouse distribution
23 center, as defined in Section 2100 of the Labor Code, that is 50,000
24 square feet or larger.

25 SEC. 4. Section 21064.8 is added to the Public Resources Code,
26 to read:

27 21064.8. "Oil and gas infrastructure" means a facility used
28 for the production, processing, transmission, storage, or
29 distribution of petroleum or natural gas.

30 SEC. 5. Section 21067.5 is added to the Public Resources Code,
31 to read:

32 21067.5. "Natural and protected lands" means sites located
33 within any of the following locations:

34 (a) The state park system, as described in Article 1 (commencing
35 with Section 5001) of Chapter 1 of Division 5.

36 (b) A wilderness area, as defined in Section 5093.32.

37 (c) A marine protected area, as defined in Section 2852 of the
38 Fish and Game Code.

39 (d) The national park system, as defined in Section 100102 of
40 Title 54 of the United States Code.

1 (e) A national recreation area.

2 (f) A national monument.

3 (g) The national wild and scenic rivers system, as defined in
4 Section 1273 of Title 16 of the United States Code.

5 (h) Any ecological reserve or wildlife management area
6 acquired and managed by the Department of Fish and Wildlife
7 pursuant to Article 2 (commencing with Section 1525) or Article
8 4 (commencing with Section 1580) of Chapter 5 of Division 2 of
9 the Fish and Game Code.

10 (i) A hazardous waste site that is listed pursuant to Section
11 65962.5 of the Government Code or a hazardous waste site
12 designated by the Department of Toxic Substances Control
13 pursuant to Section 25356 of the Health and Safety Code, unless
14 either of the following apply:

15 (1) The site is an underground storage tank site that received
16 a uniform closure letter issued pursuant to subdivision (g) of
17 Section 25296.10 of the Health and Safety Code based on closure
18 criteria established by the State Water Resources Control Board
19 for the use proposed by the project. This paragraph does not alter
20 or change the conditions to remove a site from the list of hazardous
21 waste sites listed pursuant to Section 65962.5 of the Government
22 Code.

23 (2) The State Department of Public Health, State Water
24 Resources Control Board, Department of Toxic Substances
25 Control, or a local agency making a determination pursuant to
26 subdivision (c) of Section 25296.10 of the Health and Safety Code
27 has otherwise determined that the site is suitable for the use
28 proposed by the project.

29 (j) Within a regulatory floodway as determined by the Federal
30 Emergency Management Agency in any official maps published
31 by the Federal Emergency Management Agency, unless the
32 development has received a no-rise certification in accordance
33 with Section 60.3(d)(3) of Title 44 of the Code of Federal
34 Regulations.

35 (k) Lands under conservation easement.

36 (l) On, or within a 300-foot radius of, a wetland, as defined in
37 the United States Fish and Wildlife Service Manual, Part 660 FW
38 2 (June 21, 1993).

39 (m) An environmentally sensitive area within the coastal zone,
40 as defined in Section 30107.5.

1 (n) *Lands protected as preserve areas or reserve lands pursuant*
2 *to an adopted natural community conservation plan pursuant to*
3 *the Natural Community Conservation Planning Act (Chapter 10*
4 *(commencing with Section 2800) of Division 3 of the Fish and*
5 *Game Code) or habitat conservation plan pursuant to the federal*
6 *Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.).*

7 (o) *Within a very high fire hazard severity zone, as determined*
8 *by the Department of Forestry and Fire Protection pursuant to*
9 *Section 51178 of the Government Code, or within the state*
10 *responsibility area, as defined in Section 4102. This subdivision*
11 *does not apply to sites that have adopted fire hazard mitigation*
12 *measures pursuant to existing building standards or state fire*
13 *mitigation measures applicable to the development, including, but*
14 *not limited to, standards established under all of the following*
15 *provisions or their successor provisions:*

16 (1) *Section 4291 of this code or Section 51182 of the*
17 *Government Code, as applicable.*

18 (2) *Section 4290.*

19 (3) *Chapter 7A (commencing with Section 701A.1) of Part 2 of*
20 *Title 24 of the California Code of Regulations.*

21 (p) *Either prime farmland or farmland of statewide importance,*
22 *as defined pursuant to the United States Department of Agriculture*
23 *land inventory and monitoring criteria, as modified for California,*
24 *and designated on the maps prepared by the Farmland Mapping*
25 *and Monitoring Program of the Department of Conservation, or*
26 *land zoned or designated for agricultural protection or*
27 *preservation by a local ballot measure that was approved by the*
28 *voters of that jurisdiction.*

29 SEC. 6. *Section 21080.085 is added to the Public Resources*
30 *Code, to read:*

31 21080.085. (a) *This division does not apply to a rezoning that*
32 *implements the schedule of actions contained in an approved*
33 *housing element pursuant to subdivision (c) of Section 65583 of*
34 *the Government Code.*

35 (b) (1) *Subdivision (a) does not apply to either of the following:*

36 (A) *A rezoning that would allow for the construction of a*
37 *distribution center or for oil and gas infrastructure.*

38 (B) *A rezoning that would allow for construction to occur within*
39 *the boundaries of any natural and protected lands as defined*
40 *pursuant to Section 21067.5.*

1 (2) (A) (i) Subdivision (a) applies to a rezoning that contains
2 within its boundaries any natural and protected lands as defined
3 pursuant to Section 21067.5 if those natural and protected lands
4 are excluded from the rezoning.

5 (ii) The definition of “natural and protected lands” described
6 in clause (i) does not include the lands described in subdivision
7 (p) of Section 21067.5.

8 (B) The rezoning of any parcel or portions of a parcel that is
9 excluded from a rezoning under this paragraph shall be a separate
10 project that is subject to this division.

11 SEC. 7. Section 21080.1 of the Public Resources Code is
12 amended to read:

13 21080.1. (a) The lead agency shall be responsible for
14 determining whether the project is exempt from this division and
15 whether an environmental impact report, a negative declaration,
16 or a mitigated negative declaration shall be required for any project
17 which that is subject to this division. That determination shall be
18 final and conclusive on all persons, including responsible agencies,
19 unless challenged as provided in Section 21167.

20 (b) (1) If a proposed housing development project would
21 otherwise be exempt from this division pursuant to a statutory
22 exemption, or categorical exemption pursuant to Class 1 to 5,
23 inclusive, 12, 15, 20, 27, 30, or 32 that is adopted before January
24 1, 2026, but for a single condition detailed in the statutory
25 exemption or in Section 15300.2, 15301, 15302, 15303, 15304,
26 15305, 15312, 15315, 15320, 15322, 15327, 15330, or 15332 of
27 Title 14 of the California Code of Regulations, as applicable, the
28 application of this division to the approval of the proposed housing
29 development project shall be limited to effects upon the
30 environment that are caused solely by that single condition.

31 (2) An initial study or environmental impact report prepared
32 for a housing development project subject to this subdivision is
33 only required to examine those effects that the lead agency
34 determines, based upon substantial evidence in the record, are
35 caused solely by the single condition that makes the proposed
36 housing development project ineligible for the statutory exemption
37 or categorical exemption.

38 (3) An environmental impact report for a housing development
39 project subject to this subdivision is not required to include any

1 discussion of alternatives to the housing development project or
2 the growth-inducing impacts of the housing development project.

3 (4) This subdivision does not apply to any of the following
4 housing development projects:

5 (A) A proposed housing development project that is not similar
6 in kind to the projects listed in the statutory or categorical
7 exemption.

8 (B) A proposed housing development project that is ineligible
9 for the statutory exemption or categorical exemption due to two
10 or more conditions.

11 (C) A proposed housing development project that includes a
12 distribution center or oil and gas infrastructure.

13 (D) (i) A proposed housing development project located on
14 natural and protected lands, as defined pursuant to Section
15 21067.5.

16 (ii) The definition of “natural and protected lands” described
17 in clause (i) does not include the lands described in subdivision
18 (o) of Section 21067.5.

19 (5) For purposes of this subdivision, the following definitions
20 apply:

21 (A) “Condition” means a physical or regulatory feature of the
22 project or its setting or an effect upon the environment caused by
23 the project.

24 (B) “Housing development project” has the same meaning as
25 defined in Section 65589.5 of the Government Code.

26 ~~(b)~~

27 (c) In the case of a project described in subdivision (c) of Section
28 21065, the lead agency shall, upon the request of a potential
29 applicant, provide for consultation ~~prior to~~ before the filing of the
30 application regarding the range of actions, potential alternatives,
31 mitigation measures, and any potential and significant effects on
32 the environment of the project.

33 SEC. 8. Section 21080.44 is added to the Public Resources
34 Code, to read:

35 21080.44. (a) This division does not apply to a new
36 agricultural employee housing project that complies with Section
37 21159.22, meets the requirements of paragraphs (1) to (4),
38 inclusive, of subdivision (i) of Section 17021.8 of the Health and
39 Safety Code, and that is any of the following:

1 (1) *Funded by the Joe Serna, Jr. Farmworker Housing Grant*
2 *Program (Chapter 3.2 (commencing with Section 50515.2) of Part*
3 *2 of Division 31 of the Health and Safety Code).*

4 (2) *Funded by the Office of Migrant Services within the*
5 *Department of Housing and Community Development.*

6 (3) *Funded by a local government.*

7 (4) *Owned or operated and funded by a public or nonprofit*
8 *entity, or that receives state, federal, or local public funding.*

9 (b) *This division does not apply to a project consisting*
10 *exclusively of the repair or maintenance of an existing farmworker*
11 *housing project.*

12 *SEC. 9. Section 21080.47 of the Public Resources Code is*
13 *amended to read:*

14 21080.47. (a) For purposes of this section, the following
15 definitions apply:

16 (1) "Community water system" means a public water system
17 that serves at least 15 service connections used by yearlong
18 residents or regularly serves at least 25 yearlong residents within
19 the area served by the public water system.

20 (2) "Disadvantaged community" means a community with an
21 annual median household income that is less than 80 percent of
22 the statewide annual median household income.

23 (3) "Inadequate onsite sewage treatment system" *has the same*
24 *meaning as defined in Section 13288 of the Water Code.*

25 ~~(3)~~

26 (4) "Nontransient noncommunity water system" means a public
27 water system that is not a community water system and that
28 regularly serves at least 25 of the same persons more than six
29 months per year.

30 (5) "Onsite sewage treatment system" *has the same meaning*
31 *as defined in Section 13290 of the Water Code.*

32 ~~(4)~~

33 (6) (A) "Project" means ~~a~~ *either of the following:*

34 (i) A project that consists solely of the installation, repair, or
35 reconstruction of one or more of the following:

36 ~~(i)~~

37 (I) Drinking water groundwater wells with a maximum flow
38 rate of up to 250 gallons per minute.

39 ~~(ii)~~

1 (II) Drinking water treatment facilities with a footprint of less
2 than 2,500 square feet that are not located in an environmentally
3 sensitive area.

4 ~~(iii)~~

5 (III) Drinking water storage tanks with a capacity of up to
6 250,000 gallons.

7 ~~(iv)~~

8 (IV) Booster pumps and hydropneumatic tanks.

9 ~~(v)~~

10 (V) Pipelines of less than ~~one mile~~ *three miles* in length in a
11 road right-of-way or up to seven miles in length in a road
12 right-of-way when the project is required to address threatened or
13 current drinking water violations.

14 ~~(vi)~~

15 (VI) Water service lines.

16 ~~(vii)~~

17 (VII) Minor drinking water system appurtenances, including,
18 but not limited to, system and service meters, fire hydrants, water
19 quality sampling stations, valves, air releases and vacuum break
20 valves, emergency generators, backflow prevention devices, and
21 appurtenance enclosures.

22 *(ii) A project to provide sewer service to a disadvantaged*
23 *community served by one or more inadequate sewage treatment*
24 *systems.*

25 (B) “Project” does not include either of the following categories
26 of projects:

27 (i) Facilities that are constructed primarily to serve irrigation
28 or future growth.

29 (ii) Facilities that are used to dam, divert, or convey surface
30 water.

31 ~~(5)~~

32 (7) “Project labor agreement” has the same meaning as in
33 paragraph (1) of subdivision (b) of Section 2500 of the Public
34 Contract Code.

35 ~~(6)~~

36 (8) “Public water system” means a system for the provision of
37 water for human consumption through pipes or other constructed
38 conveyances that has 15 or more service connections or regularly
39 serves at least 25 individuals daily at least 60 days out of the year,
40 and shall include, but not be limited to, any of the following:

1 (A) Any collection, treatment, storage, and distribution facilities
2 under the control of, and used primarily in connection with, the
3 public water system.

4 (B) Any collection or pretreatment storage facilities not under
5 the control of the operator of the public water system, but that are
6 used primarily in connection with the public water system.

7 (C) Any system for the provision of water for human
8 consumption through pipes or other constructed conveyances that
9 treats water on behalf of one or more public water systems for the
10 purpose of rendering it safe for human consumption.

11 ~~(7)~~
12 (9) “Skilled and trained workforce” has the same meaning as
13 provided in Chapter 2.9 (commencing with Section 2600) of Part
14 1 of Division 2 of the Public Contract Code.

15 ~~(8)~~
16 (10) “Small community water system” means a community
17 water system that serves no more than 3,300 service connections
18 or a yearlong population of no more than 10,000 persons.

19 ~~(9)~~
20 (11) “Small disadvantaged community water system” means
21 either a small community water system that serves one or more
22 disadvantaged communities or a nontransient noncommunity water
23 system that primarily serves one or more schools that serve one
24 or more disadvantaged communities.

25 ~~(10)~~
26 (12) “State small water system” means a system for the provision
27 of piped water to a disadvantaged community for human
28 consumption that serves at least 5, but not more than 14, service
29 connections and does not regularly serve drinking water to more
30 than an average of 25 individuals daily for more than 60 days out
31 of the year.

32 (b) (1) This division does not apply to a project that meets the
33 requirements of subdivision (c) and subdivision (d) or (e), as
34 appropriate, and that primarily benefits a small disadvantaged
35 community water system or a state small water system in any of
36 the following ways:

37 (A) Improving the small disadvantaged community water
38 system’s or state small water system’s water quality, water supply,
39 or water supply reliability.

40 (B) Encouraging water conservation.

(C) Providing drinking water service to existing residences within a disadvantaged community, a small disadvantaged community water system, or a state small water system where there is evidence that the water exceeds maximum contaminant levels for primary or secondary drinking water standards or where the drinking water well is no longer able to produce an adequate supply of safe drinking water.

(2) Before determining a project is exempt under this section, the lead agency shall contact the State Water Resources Control Board to determine whether claiming the exemption under this section will affect the ability of the small disadvantaged community water system or the state small water system to receive federal financial assistance or federally capitalized financial assistance.

(c) The project meets all of the following:

(1) Does not affect wetlands or sensitive habitats, as defined in the United States Fish and Wildlife Service Manual Part 660 FW 2 (June 21, 1993), or an environmentally sensitive habitat area within the coastal zone, as defined in Section 30107.5.

(2) Unusual circumstances do not exist that would cause a significant effect on the environment.

(3) Is not located on a hazardous waste site that is included on any list compiled pursuant to Section 65962.5 of the Government Code.

(4) Does not have the potential to cause a substantial adverse change in the significance of a historical resource.

(5) The construction impacts are fully mitigated consistent with applicable law.

(6) The cumulative impact of successive reasonably anticipated projects of the same type as the project, in the same place, over time, is not significant.

(d) (1) For a project undertaken by a public agency that is exempt from this division pursuant to this section, except as provided in paragraph (2), an entity shall not be prequalified or shortlisted or awarded a contract by the public agency to perform any portion of the project unless the entity provides an enforceable commitment to the public agency that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

1 (2) Paragraph (1) does not apply if any of the following
2 requirements are met:

3 (A) The public agency has entered into a project labor agreement
4 that will bind all contractors and subcontractors performing work
5 on the project or contract to use a skilled and trained workforce,
6 and the entity agrees to be bound by that project labor agreement.

7 (B) The project or contract is being performed under the
8 extension or renewal of a project labor agreement that was entered
9 into by the public agency before January 1, 2021.

10 (C) The entity has entered into a project labor agreement that
11 will bind the entity and all of its subcontractors at every tier
12 performing the project or contract to use a skilled and trained
13 workforce.

14 (e) For a project undertaken by a private entity that is exempt
15 from this division pursuant to this section, the project applicant
16 shall do both of the following:

17 (1) Certify to the lead agency that either of the following is true:

18 (A) The entirety of the project is a public work for purposes of
19 Chapter 1 (commencing with Section 1720) of Part 7 of Division
20 2 of the Labor Code.

21 (B) If the project is not in its entirety a public work, all
22 construction workers employed in the execution of the project will
23 be paid at least the general prevailing rate of per diem wages for
24 the type of work and geographic area, as determined by the Director
25 of Industrial Relations pursuant to Sections 1773 and 1773.9 of
26 the Labor Code, except that apprentices registered in programs
27 approved by the Chief of the Division of Apprenticeship Standards
28 may be paid at least the applicable apprentice prevailing rate. If
29 the project is subject to this subparagraph, then, for those portions
30 of the project that are not a public work, all of the following shall
31 apply:

32 (i) The project applicant shall ensure that the prevailing wage
33 requirement is included in all contracts for the performance of the
34 work.

35 (ii) All contractors and subcontractors shall pay to all
36 construction workers employed in the execution of the work at
37 least the general prevailing rate of per diem wages, except that
38 apprentices registered in programs approved by the Chief of the
39 Division of Apprenticeship Standards may be paid at least the
40 applicable apprentice prevailing rate.

1 (iii) (I) Except as provided in subclause (III), all contractors
2 and subcontractors shall maintain and verify payroll records
3 pursuant to Section 1776 of the Labor Code and make those records
4 available for inspection and copying as provided by that section.

5 (II) Except as provided in subclause (III), the obligation of the
6 contractors and subcontractors to pay prevailing wages may be
7 enforced by the Labor Commissioner through the issuance of a
8 civil wage and penalty assessment pursuant to Section 1741 of the
9 Labor Code, which may be reviewed pursuant to Section 1742 of the
10 Labor Code, within 18 months after the completion of the
11 project, by an underpaid worker through an administrative
12 complaint or civil action, or by a joint labor-management
13 committee through a civil action under Section 1771.2 of the Labor
14 Code. If a civil wage and penalty assessment is issued, the
15 contractor, subcontractor, and surety on a bond or bonds issued to
16 secure the payment of wages covered by the assessment shall be
17 liable for liquidated damages pursuant to Section 1742.1 of the
18 Labor Code.

19 (III) Subclauses (I) and (II) do not apply if all contractors and
20 subcontractors performing work on the project are subject to a
21 project labor agreement that requires the payment of prevailing
22 wages to all construction workers employed in the execution of
23 the project and provides for enforcement of that obligation through
24 an arbitration procedure.

25 (iv) Notwithstanding subdivision (c) of Section 1773.1 of the
26 Labor Code, the requirement that employer payments not reduce
27 the obligation to pay the hourly straight time or overtime wages
28 found to be prevailing shall not apply if otherwise provided in a
29 bona fide collective bargaining agreement covering the worker.
30 The requirement to pay at least the general prevailing rate of per
31 diem wages does not preclude use of an alternative workweek
32 schedule adopted pursuant to Section 511 or 514 of the Labor
33 Code.

34 (2) Certify to the lead agency that a skilled and trained
35 workforce will be used to perform all construction work on the
36 project. All of the following requirements shall apply to the project:

37 (A) The applicant shall require in all contracts for the
38 performance of work that every contractor and subcontractor at
39 every tier will individually use a skilled and trained workforce to
40 complete the project.

1 (B) Every contractor and subcontractor shall use a skilled and
2 trained workforce to complete the project.

3 (C) (i) Except as provided in clause (ii), the applicant shall
4 provide to the lead agency, on a monthly basis while the project
5 or contract is being performed, a report demonstrating compliance
6 with Chapter 2.9 (commencing with Section 2600) of Part 1 of
7 Division 2 of the Public Contract Code. A monthly report provided
8 to the lead agency pursuant to this clause shall be a public record
9 under the California Public Records Act (Division 10 (commencing
10 with Section 7920.000) of Title 1 of the Government Code) and
11 shall be open to public inspection. An applicant that fails to provide
12 a monthly report demonstrating compliance with Chapter 2.9
13 (commencing with Section 2600) of Part 1 of Division 2 of the
14 Public Contract Code shall be subject to a civil penalty of ten
15 thousand dollars (\$10,000) per month for each month for which
16 the report has not been provided. Any contractor or subcontractor
17 that fails to use a skilled and trained workforce shall be subject to
18 a civil penalty of two hundred dollars (\$200) per day for each
19 worker employed in contravention of the skilled and trained
20 workforce requirement. Penalties may be assessed by the Labor
21 Commissioner within 18 months of completion of the project using
22 the same procedures for issuance of civil wage and penalty
23 assessments pursuant to Section 1741 of the Labor Code, and may
24 be reviewed pursuant to the same procedures in Section 1742 of
25 the Labor Code. Penalties shall be paid to the State Public Works
26 Enforcement Fund.

27 (ii) Clause (i) does not apply if all contractors and subcontractors
28 performing work on the project are subject to a project labor
29 agreement that requires compliance with the skilled and trained
30 workforce requirement and provides for enforcement of that
31 obligation through an arbitration procedure.

32 (f) If the lead agency determines that a project is not subject to
33 this division pursuant to this section, and the lead agency
34 determines to approve or carry out that project, the lead agency
35 shall file a notice of exemption with the Office of Planning and
36 Research and the county clerk of the county in which the project
37 is located in the manner specified in subdivisions (b) and (c) of
38 Section 21152.

39 (g) This section shall remain in effect only until January 1, ~~2028~~,
40 2032, and as of that date is repealed.

1 SEC. 10. Section 21080.48 is added to the Public Resources
2 Code, to read:

3 21080.48. (a) This division does not apply to a project, as
4 defined in Section 21080.47, that is a community water system that
5 is funded pursuant to the Safe Drinking Water, Wildfire Prevention,
6 Drought Preparedness, and Clean Air Bond Act of 2024 (Division
7 50 (commencing with Section 90000)) or the State Water Resources
8 Control Board's Safe and Affordable Funding for Equity and
9 Resilience program that does not otherwise include any
10 construction activities if the project does both of the following:

11 (1) Results in long-term net benefits to climate resiliency,
12 biodiversity, and sensitive species recovery.

13 (2) Includes procedures and ongoing management for the
14 protection of the environment.

15 (b) A project exempt from this division pursuant to this section
16 remains subject to all other applicable federal, state, and local
17 laws and regulations and shall not weaken or violate any
18 applicable environmental or public health standards.

19 (c) This section shall remain in effect only until January 1, 2030,
20 and as of that date is repealed.

21 SEC. 11. Section 21080.49 is added to the Public Resources
22 Code, to read:

23 21080.49. This division does not apply to any of the following
24 wildfire risk reduction projects, if the project is in compliance with
25 all other applicable laws, ordinances, and zoning requirements:

26 (a) A project consisting of a prescribed fire or fuel reduction
27 to reduce wildfire risk by reestablishing the fire return interval
28 appropriate to the ecosystem for biodiversity or other benefits,
29 excluding projects located on coastal sage scrub habitat or any
30 other sensitive habitat. In order to qualify for the exemption
31 established pursuant to this subdivision, all of the following
32 requirements shall be met:

33 (1) The project shall not exceed 50 contiguous acres and shall
34 be located within one-half mile of a subdivision of 30 or more
35 dwelling units.

36 (2) The lead agency shall consult with the Department of Fish
37 and Wildlife to ensure that, to the extent feasible, the project is
38 designed to avoid or minimize impacts to (A) candidate, rare,
39 threatened, endangered plants and wildlife; and (B) wildlife

1 nursery sites, including nesting rookeries, spawning areas, fawning
2 areas, and maternal roosts.

3 (3) The lead agency shall, to the extent feasible, design the
4 project to avoid impacts to riparian areas and water quality
5 through use of sediment and erosion control measures where there
6 is ground disturbance for control lines.

7 (4) The lead agency shall identify and, to the extent feasible,
8 protect tribal cultural resources that may be impacted by project.
9 This paragraph may be met by reviewing existing records,
10 including the California Historical Resources Information System
11 and Sacred Lands Inventory, or by engaging in consultation with
12 relevant California Native American tribes on identification of
13 tribal cultural resources and appropriate mitigation measures
14 while maintaining confidentiality of sensitive records.

15 (b) A project consisting of “defensible space” fire clearance of
16 up to 100 feet, as measured from the center line of the roadway,
17 for a public roadway identified as an egress and evacuation route
18 for a subdivision or community of 30 or more dwelling units, to
19 remove flammable vegetation or trees of less than 12 inches in
20 diameter as measured at chest height.

21 (c) A project consisting of the establishment or enhancement of
22 residential home hardening or defensible space for wildfire risk
23 reduction within 200 feet of a legal structure located in a high or
24 very high wildfire hazard zone.

25 (d) A project consisting of a fuel break that extends up to 200
26 feet from structures, including the clearance of flammable
27 vegetation and trees less than 12 inches in diameter as measured
28 at chest height.

29 SEC. 12. Section 21080.51 of the Public Resources Code is
30 amended to read:

31 21080.51. (a) This division does not apply to a project ~~funded~~
32 ~~by Item 7502-062-8506 of the Budget Act of 2021 or undertaken~~
33 by any entity, including a public entity or private or nonprofit
34 corporation, that consists of linear broadband deployment in a
35 ~~right-of-way~~ right-of-way, including a right-of-way of a local street
36 or road, if the project meets all of the following conditions:

37 (1) ~~The project is located in an area identified by the Public~~
38 ~~Utilities Commission as a component of the statewide open-access~~
39 ~~middle-mile broadband network pursuant to Section 11549.54 of~~
40 ~~the Government Code.~~

1 ~~(2)~~

2 (1) The project is constructed along, or within 30-feet of, the
3 right-of-way of any public road or highway.

4 ~~(3)~~

5 (2) The project is either deployed underground where the surface
6 area is restored to a condition existing before the project or placed
7 aerially along an existing utility pole right-of-way.

8 ~~(4)~~

9 (3) The project incorporates, as a condition of project approval,
10 measures developed by the Public Utilities ~~Commission or~~
11 ~~Commission~~, the Department of ~~Transportation~~ *Transportation*,
12 ~~or the city, county, or city and county responsible for the~~
13 ~~right-of-way~~ to address potential environmental impacts. At
14 minimum, the project shall be required to include monitors during
15 construction activities and measures to avoid or address impacts
16 to cultural and biological resources.

17 ~~(5)~~

18 (4) The project applicant agrees to comply with all conditions
19 otherwise authorized by law, imposed by ~~the planning department~~
20 ~~of a city or county~~ *city, county, or city and county* as part of a local
21 agency permit process, that are required to mitigate potential
22 impacts of the proposed project, and to comply with the
23 Keene-Nejedly California Wetlands Preservation Act (Chapter 7
24 (commencing with Section 5810) of Division 5), the California
25 Endangered Species Act (Chapter 1.5 (commencing with Section
26 2050) of Division 3 of the Fish and Game Code), as applicable,
27 other applicable state laws, and all applicable federal laws.

28 (b) If a project meets all of the requirements of subdivision (a),
29 the person undertaking the project shall do all of the following:

30 (1) Notify, in writing, any affected public agency, including,
31 but not limited to, any public agency having permit, land use,
32 environmental, public health protection, or emergency response
33 authority, of the exemption of the project pursuant to this section.

34 (2) Provide notice to the public in the area affected by the project
35 in a manner consistent with subdivision (b) of Section 21108.

36 (3) In the case of private rights-of-way over private property,
37 receive from the underlying property owner permission for access
38 to the property.

39 (4) Comply with all conditions authorized by law imposed by
40 ~~the planning department of a city or county~~ *a city, county, or city*

and county as part of any local agency permit process, that are required to mitigate potential impacts of the proposed project, and otherwise comply with the Keene-Nejedly California Wetlands Preservation Act (Chapter 7 (commencing with Section 5810) of Division 5), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), as applicable, other applicable state laws, and all applicable federal laws.

SEC. 13. Section 21080.55 is added to the Public Resources Code, to read:

21080.55. This division does not apply to updates to the state's climate adaptation strategy, known as the plan, adopted by the Natural Resources Agency pursuant to Section 71153.

SEC. 14. Section 21080.57 is added to the Public Resources Code, to read:

21080.57. This division does not apply to any activity or approval necessary for or incidental to planning, design, site acquisition, construction, operation, or maintenance of public park or nonmotorized recreational trail facilities funded in whole or in part by the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Division 50 (commencing with Section 90000)).

SEC. 15. Section 21080.69 is added to the Public Resources Code, to read:

21080.69. (a) Except as provided in subdivision (b), this division does not apply to any of the following projects:

(1) A project that consists exclusively of a day care center, as defined in Section 1596.76 of the Health and Safety Code, that is not located in a residential area.

(2) A project that consists exclusively of a rural health clinic, as defined by Section 1396(d)(l)(1) of Title 42 of the United States Code, or a federally qualified health center, as defined by Section 1396(d)(l)(2) of Title 42 of the United States Code, if the facility is less than 50,000 square feet in total space.

(3) A project that consists exclusively of a nonprofit food bank or food pantry, defined as a nonprofit organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (26 U.S.C. Sec. 501(c)(3)), that solicits, stores, and distributes sufficient food to

1 *their defined service area, if the project is located on a site that is*
2 *zoned exclusively for industrial uses.*

3 *(4) A project that consists exclusively of a facility for advanced*
4 *manufacturing, as defined in Section 26003, if the project is located*
5 *on a site zoned exclusively for industrial uses.*

6 *(b) This section does not apply to a project located on natural*
7 *and protected lands, as defined pursuant to Section 21067.5.*

8 *SEC. 16. Section 21080.70 is added to the Public Resources*
9 *Code, to read:*

10 *21080.70. (a) This division does not apply to a project that*
11 *consists of the development, construction, or operation of a heavy*
12 *maintenance facility or other maintenance facility for electrically*
13 *powered high-speed rail, if all of the following conditions are met:*

14 *(1) The project has been evaluated in a prior project-level*
15 *environmental impact report prepared pursuant to this division*
16 *and that prior report evaluated one or more similar high-speed*
17 *rail maintenance facility sites.*

18 *(2) The project incorporates all applicable mitigation measures*
19 *identified in those prior project-level environmental impact reports.*

20 *(3) The project site is located within one mile of rail right-of-way*
21 *approved for high-speed rail service.*

22 *(b) This division does not apply to a project that consists of the*
23 *development, construction, or modification of a proposed*
24 *passenger rail station, or design changes to a passenger rail*
25 *station, for the purpose of serving electrically powered high-speed*
26 *rail, if both of the following conditions are met:*

27 *(1) The station or station design change is located within the*
28 *resource study area of a previously certified environmental impact*
29 *report prepared pursuant to this division for a high-speed rail or*
30 *passenger rail project.*

31 *(2) The project incorporates all applicable mitigation measures*
32 *identified in the previously certified environmental impact report.*

33 *(c) For purposes of this section, “high-speed rail” means the*
34 *California high-speed rail project and other high-speed rail*
35 *projects in California that are planned to directly connect to the*
36 *California high-speed rail project.*

37 *(d) This section does not apply to any project on or within*
38 *natural and protected lands as defined in Section 21067.5.*

39 *(e) The exemptions provided in subdivisions (a) and (b) shall*
40 *apply exclusively to projects described in those subdivisions and*

1 do not exempt any other facilities, structures, or uses not expressly
2 identified. Any other project uses shall be subject to this division
3 unless independently exempt under a separate provision of law.

4 SEC. 17. Section 21083.03 is added to the Public Resources
5 Code, to read:

6 21083.03. (a) (1) On or before July 1, 2027, the Office of
7 Land Use and Climate Innovation shall map the eligible urban
8 infill sites within every urbanized area or urban cluster in the state.

9 (2) The Office of Land Use and Climate Innovation shall develop
10 a definition of and metrics for identifying “eligible urban infill
11 sites” that reflect both of the following criteria:

12 (A) (i) The site has a land use designation that is consistent
13 with infill development as set forth in the local jurisdiction’s most
14 recent general plan or most recently adopted housing element that
15 has been certified by the Department of Housing and Community
16 Development to be in compliance with state law.

17 (ii) If a local jurisdiction has submitted land use designation
18 information to the Office of Land Use and Climate Innovation in
19 accordance with paragraph (3), the determination of the Office of
20 Land Use and Climate Innovation on whether a site within that
21 jurisdiction has a land use designation that is consistent with infill
22 development is based on the information provided by the local
23 jurisdiction.

24 (B) Development on the site promotes compact development in
25 order to accomplish one or more of the following goals:

26 (i) Reduce greenhouse gas emissions and improve regional air
27 quality by reducing the distance people need to travel.

28 (ii) Reduce conversion of agricultural land, sensitive habitat,
29 and open space for new development.

30 (iii) Facilitate healthy and environmentally friendly active
31 transportation.

32 (iv) Reduce stormwater runoff resulting in flooding and pollution
33 of waterways.

34 (v) Bring vibrancy, community, and social connection to
35 neighborhoods.

36 (3) (A) (i) At least 120 days before initial adoption of a map
37 of eligible urban infill sites under this subdivision, the Office of
38 Land Use and Climate Innovation shall transmit a copy of the
39 draft map or revision to the board of supervisors of each county

1 and to the city council of each city in which any portion of the
2 mapped area is located.

3 (ii) Within 45 days after receiving the draft map under
4 subparagraph (A), the city, county, or city and county may submit
5 comments and proposed corrections to the Office of Land Use and
6 Climate Innovation. The Office of Land Use and Climate
7 Innovation shall consider any comments and proposed corrections
8 submitted by the city, county, or city and county, and revise the
9 draft map as appropriate. The city, county, or city and county may
10 include a map of current land use designations within its
11 boundaries and the zoning districts and regulations associated
12 with each designation.

13 (iii) After making any revisions pursuant to clause (ii), the Office
14 of Land Use and Climate Innovation shall, before adoption, publish
15 the draft map on its internet website for at least 45 days, conduct
16 at least one public meeting to present the draft map, and receive
17 public comments.

18 (iv) The Office of Land Use and Climate Innovation shall
19 consider any comments received at the public meeting held, or in
20 writing during the 45-day public comment period, pursuant to
21 clause (iii) when preparing the final map. The Office of Land Use
22 and Climate Innovation shall publish the final map on its internet
23 website and shall transmit a copy to the board of supervisors of
24 each county and to the city council of each city in which any
25 portion of the mapped area is located.

26 (B) (i) The Office of Land Use and Climate Innovation may
27 amend any portion of the map of eligible urban infill sites from
28 time to time based upon a land use designation change or other
29 change in circumstances.

30 (ii) At least 45 days before amending the map, the Office of
31 Land Use and Climate Innovation shall transmit a copy of the
32 draft amendment to the board of supervisors of each county and
33 to the city council of each city affected by the proposed amendment.
34 The local jurisdiction may submit comments and proposed
35 corrections to the Office of Land Use and Climate Innovation that
36 the Office of Land Use and Climate Innovation shall consider,
37 along with any other land use designation information provided
38 by the local jurisdiction, as the Office of Land Use and Climate
39 Innovation revises the draft amendment as appropriate.

1 (4) Chapter 3.5 (commencing with Section 11340) of Part 1 of
2 Division 3 of Title 2 of the Government Code does not apply to
3 the adoption or amendment of a map of eligible urban infill sites
4 or to the development of definitions and metrics under this
5 subdivision.

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

7 (1) “Urbanized area” means an urbanized area designated by
8 the United States Census Bureau, as published in the Federal
9 Register, Volume 77, Number 59, on March 27, 2012.

10 (2) “Urban cluster” means an urban cluster designated by the
11 United States Census Bureau, as published in the Federal Register,
12 Volume 77, Number 59, on March 27, 2012.

13 SEC. 18. Section 21094.5.5 of the Public Resources Code is
14 amended to read:

15 21094.5.5. (a) ~~On or before July 1, 2012, the Office of~~
16 ~~Planning and Research~~ *The Office of Land Use and Climate*
17 *Innovation* shall prepare, develop, and transmit to the Natural
18 Resources Agency for certification and adoption guidelines for
19 the implementation of Section 21094.5 and the Secretary of the
20 Natural Resources Agency, on or before January 1, 2013, shall
21 certify and adopt the guidelines.

22 (b) The guidelines prepared pursuant to this section shall include
23 statewide standards for infill projects that may be amended from
24 time to time and promote all of the following:

25 (1) The implementation of the land use and transportation
26 policies in the Sustainable Communities and Climate Protection
27 Act of 2008 (Chapter 728 of the Statutes of 2008).

28 (2) The state planning priorities specified in Section 65041.1
29 of the Government Code and in the most recently adopted
30 Environmental Goals and Policy Report issued by the Office of
31 ~~Planning and Research~~ *Land Use and Climate Innovation*
32 supporting infill development.

33 (3) The reduction of greenhouse gas emissions under the
34 California Global Warming Solutions Act of 2006 (Division 25.5
35 (commencing with Section 38500) of the Health and Safety Code).

36 (4) The reduction in per capita water use pursuant to Section
37 10608.16 of the Water Code.

38 (5) The creation of a transit village development district
39 consistent with Section 65460.1 of the Government Code.

1 (6) Substantial energy efficiency improvements, including
2 improvements to projects related to transportation energy.

3 (7) Protection of public health, including the health of vulnerable
4 populations from air or water pollution, or soil contamination.

5 (c) ~~The standards for projects on infill sites shall be updated as~~
6 ~~frequently as necessary to ensure the protection of the environment.~~

7 *On or before January 1, 2027, and at least once every two years*
8 *thereafter, in order to better incentivize affordable and smart infill*
9 *housing growth pursuant to Section 21094.5, the guidelines*
10 *prepared pursuant to this section shall be updated in a manner*
11 *that complies with Section 21094.5 in order to address any rigid*
12 *requirements, lack of clarity in vague terminology, and the*
13 *potential for excessive exposure to frivolous litigation over lead*
14 *agency determinations to make tiering under Section 21094.5 work*
15 *more effectively in compliance with this division.*

16 SEC. 19. Section 21167.6 of the Public Resources Code is
17 amended to read:

18 21167.6. Notwithstanding any other law, in all actions or
19 proceedings brought pursuant to Section 21167, except as provided
20 in Section 21167.6.2 or those involving the Public Utilities
21 Commission, all of the following shall apply:

22 (a) At the time that the action or proceeding is filed, the plaintiff
23 or petitioner shall file a request that the respondent public agency
24 prepare the record of proceedings relating to the subject of the
25 action or proceeding. The request, together with the complaint or
26 petition, shall be served personally upon the public agency not
27 later than 10 business days from the date that the action or
28 proceeding was filed.

29 (b) (1) (A) The public agency shall prepare and certify the
30 record of proceedings not later than 60 days from the date that the
31 request specified in subdivision (a) was served upon the public
32 agency. Upon certification, the public agency shall lodge an
33 electronic copy of the record of proceedings with the court and
34 shall serve on the parties notice that the record of proceedings has
35 been certified and lodged with the court. The parties shall pay any
36 reasonable costs or fees imposed for the preparation of the record
37 of proceedings in conformance with any law or rule of court.

38 (B) The court shall schedule a case management conference
39 within 30 days of the filing of the complaint or petition pursuant
40 to this division to review the scope, timing, and cost of the record

1 of proceedings. The parties may stipulate to a partial record of
2 proceedings that does not contain all the documents listed in
3 subdivision (e) if approved by the court.

4 (2) The plaintiff or petitioner may elect to prepare the record
5 of proceedings by providing a notice of the election to the public
6 agency, or the parties may agree to an alternative method of
7 preparation of the record of proceedings, subject to certification
8 of its accuracy by the public agency, within the 60-day time limit
9 specified in this subdivision.

10 (3) Notwithstanding paragraph (2), the public agency, within
11 five business days of the receipt of the notice specified in paragraph
12 (2), may deny the request of the plaintiff or petitioner to prepare
13 the record of proceedings, in which case the public agency or the
14 real party in interest shall bear the costs of preparation and
15 certification of the record of proceedings, and those costs shall not
16 be recoverable from the plaintiff or petitioner.

17 (c) The time limit established by subdivision (b) may be
18 extended only upon the stipulation of all parties who have been
19 properly served in the action or proceeding or upon order of the
20 court. Extensions shall be liberally granted by the court when the
21 size of the record of proceedings renders infeasible compliance
22 with that time limit. There is no limit on the number of extensions
23 that may be granted by the court, but no single extension shall
24 exceed 60 days unless the court determines that a longer extension
25 is in the public interest.

26 (d) If the public agency fails to prepare and certify the record
27 of proceedings within the time limit established in paragraph (1)
28 of subdivision (b), or any continuances of that time limit, the
29 plaintiff or petitioner may move for sanctions, and the court may,
30 upon that motion, grant appropriate sanctions.

31 (e) The record of proceedings shall include, but is not limited
32 to, all of the following items:

33 (1) All project application materials.

34 (2) All staff reports and related documents prepared by the
35 respondent public agency with respect to its compliance with the
36 substantive and procedural requirements of this division and with
37 respect to the action on the project.

38 (3) All staff reports and related documents prepared by the
39 respondent public agency and written testimony or documents
40 submitted by any person relevant to any findings or statement of

1 overriding considerations adopted by the respondent agency
2 pursuant to this division.

3 (4) Any transcript or minutes of the proceedings at which the
4 decisionmaking body of the respondent public agency heard
5 testimony on, or considered any environmental document on, the
6 project, and any transcript or minutes of proceedings before any
7 advisory body to the respondent public agency that were presented
8 to the decisionmaking body before action on the environmental
9 documents or on the project.

10 (5) All notices issued by the respondent public agency to comply
11 with this division or with any other law governing the processing
12 and approval of the project.

13 (6) All written comments received in response to, or in
14 connection with, environmental documents prepared for the project,
15 including responses to the notice of preparation.

16 (7) All written evidence or correspondence submitted to, or
17 transferred from, the respondent public agency with respect to
18 compliance with this division or with respect to the project.

19 (8) Any proposed decisions or findings submitted to the
20 decisionmaking body of the respondent public agency by its staff,
21 or the project proponent, project opponents, or other persons.

22 (9) The documentation of the final public agency decision,
23 including the final environmental impact report, mitigated negative
24 declaration, or negative declaration, and all documents, in addition
25 to those referenced in paragraph (3), cited or relied on in the
26 findings or in a statement of overriding considerations adopted
27 pursuant to this division.

28 (10) (A) (i) Any other written materials relevant to the
29 respondent public agency's compliance with this division or to its
30 decision on the merits of the project, including the initial study,
31 any drafts of any environmental ~~document~~, *document* or portions
32 ~~thereof~~, *of the initial study or drafts* that have been released for
33 public review, and copies of studies or other documents relied
34 upon in any environmental document prepared for the project and
35 either made available to the public during the public review period
36 or included in the respondent public agency's files on the project,
37 and all internal agency communications, including staff notes and
38 memoranda related to the project or to compliance with this
39 division, but not including communications that are of a logistical
40 nature, such as meeting invitations and scheduling communications,

except that any material that is subject to privileges contained in the Evidence Code, or exemptions contained in the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), shall not be included in the record of proceedings under this paragraph, consistent with existing law.

(ii) This subparagraph applies to a project that includes a distribution center or oil and gas infrastructure.

(B) (i) Any other written materials relevant to the respondent public agency's compliance with this division or to its decision on the merits of the project, including the initial study, any drafts of any environmental document, or portions of the initial study or drafts, that have been released for public review, and copies of studies or other documents relied upon in any environmental document prepared for the project and either made available to the public during the public review period or included in the respondent public agency's files on the project, and all internal agency communications, including memoranda related to the project or to compliance with this division, but not including communications that are of a logistical nature, such as meeting invitations and scheduling communications, except that any material that is subject to privileges contained in the Evidence Code, or exemptions contained in the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), shall not be included in the record of proceedings under this paragraph, consistent with existing law.

(ii) This subparagraph applies to any project that is not subject to subparagraph (A).

(iii) For purposes of this subparagraph, internal agency communications does not include electronic internal agency communications, including emails, that were not presented to the final decisionmaking body, other than those communications and documents consulted, or reviewed by the lead agency executive or a local agency executive, as defined in subdivision (d) of Section 3511.1, or other administrative official in a supervisory role who is reviewing the project. The public agency may, but is not required to, include any documents in the record of proceedings that are not specifically set forth in this subparagraph.

1 (11) The full written record before any inferior administrative
2 decisionmaking body whose decision was appealed to a superior
3 administrative decisionmaking body before the filing of litigation.

4 (f) In preparing the record of proceedings, the party preparing
5 the record of proceedings shall strive to do so at reasonable cost
6 in light of the scope of the record of proceedings.

7 (g) The clerk of the superior court shall prepare and certify the
8 clerk's transcript on appeal not later than 60 days from the date
9 that the notice designating the papers or records to be included in
10 the clerk's transcript was filed with the superior court, if the party
11 or parties pay any costs or fees for the preparation of the clerk's
12 transcript imposed in conformance with any law or rules of court.
13 Nothing in this subdivision precludes an election to proceed by
14 appendix, as provided in Rule 8.124 of the California Rules of
15 Court.

16 (h) Extensions of the period for the filing of any brief on appeal
17 may be allowed only by stipulation of the parties or by order of
18 the court for good cause shown. Extensions for the filing of a brief
19 on appeal shall be limited to one 30-day extension for the
20 preparation of an opening brief and one 30-day extension for the
21 preparation of a responding brief, except that the court may grant
22 a longer extension or additional extensions if it determines that
23 there is a substantial likelihood of settlement that would avoid the
24 necessity of completing the appeal.

25 (i) At the completion of the filing of briefs on appeal, the
26 appellant shall notify the court of the completion of the filing of
27 briefs, whereupon the clerk of the reviewing court shall set the
28 appeal for hearing on the first available calendar date.

29 *SEC. 20. No reimbursement is required by this act pursuant*
30 *to Section 6 of Article XIII B of the California Constitution because*
31 *a local agency or school district has the authority to levy service*
32 *charges, fees, or assessments sufficient to pay for the program or*
33 *level of service mandated by this act, within the meaning of Section*
34 *17556 of the Government Code.*

35 *SEC. 21. This act is a bill providing for appropriations related*
36 *to the Budget Bill within the meaning of subdivision (e) of Section*
37 *12 of Article IV of the California Constitution, has been identified*
38 *as related to the budget in the Budget Bill, and shall take effect*
39 *immediately.*

1 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
2 ~~changes relating to the Budget Act of 2025.~~

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AMENDED IN ASSEMBLY JUNE 26, 2025

AMENDED IN ASSEMBLY JUNE 24, 2025

SENATE BILL

No. 130

Introduced by Committee on Budget and Fiscal Review

January 23, 2025

An act to amend Sections 714.3, 5850, and 5855 of, and to add Section 2924.13 to, the Civil Code, to amend Sections 12531, 54221, 65400, 65584.01, 65584.04, 65589.5, 65905.5, 65913.10, 65913.16, 65928, 65941.1, 65952, 65953, 65956, 66323, and 66499.41 of, to amend and repeal Sections 65940, 65943, and 65950 of, to add Section 8590.15.5 to, and to repeal Section 66301 of, the Government Code, to amend Sections 17958, 17958.5, 17958.7, 17973, 17974.1, 17974.3, 17974.5, 18916, 18929.1, 18930, 18938.5, 18941.5, 18942, 37001, 50222, 50223, 50253, 50515.10, 50560, 50561, 50562, 53560, and 53562 of, and to add Sections 17974.1.5, 50058.8, 50406.4, 50410, and 53568 to, the Health and Safety Code, ~~to add Section 1770.1 to the Labor Code,~~ to amend Sections 21180, 21183, and 30603 of, and to add Sections 21080.43, 21080.44, 21080.66, 30114.5, and 30405 to, the Public Resources Code, to amend Section 17053.5 of the Revenue and Taxation Code, and to amend Section 5849.2 of the Welfare and Institutions Code, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 130, as amended, Committee on Budget and Fiscal Review. Housing.

(1) Existing law, the Planning and Zoning Law, authorizes a local agency to provide for the creation of accessory dwelling units (ADUs) in single-family and multifamily residential zones by ordinance, and

sets forth standards the ordinance is required to impose with respect to certain matters, including, among others, maximum unit size, parking, and height standards. Existing law authorizes a local agency to provide by ordinance for the creation of junior accessory dwelling units (JADUs), as defined, in single-family residential zones and requires the ordinance to include, among other things, standards for the creation of a JADU, required deed restrictions, and occupancy requirements.

Existing law makes void and unenforceable any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in real property that either effectively prohibits or unreasonably restricts the construction or use of an ADU or JADU on a lot zoned for single-family residential use that meets the above-described minimum standards established for those units. However, existing law permits reasonable restrictions that do not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct, an ADU or JADU consistent with those aforementioned minimum standards provisions.

This bill would prohibit fees and other financial requirements from being included in the above-described reasonable restrictions.

Existing law provides for the creation of ADUs in areas zoned for single-family or multifamily dwelling residential use, by ministerial approval if a local agency has not adopted an ordinance, in accordance with specified standards and conditions. Under existing law, a local agency is also required to ministerially approve an application for a building permit within a residential or mixed-use zone to create any of specified variations of ADUs. Existing law prohibits a local agency from imposing any objective development or design standard that upon any accessory dwelling unit that meets one of those specified variations of ADUs, except as specified.

Existing law authorizes a local agency to establish minimum and maximum unit size requirements for both attached and detached ADUs, subject to certain limitations. Notwithstanding that authorization and the ministerial approval requirement, as described above, existing law requires a local agency that adopted an ordinance by July 1, 2018, providing for the approval of ADUs in multifamily dwelling structures to ministerially consider a permit application to construct an ADU, as specified, and authorizes that local agency to impose objective standards including, but not limited to, design, development, and historic standards on said ADUs, except for requirements on minimum lot size.

This bill would remove the requirement that a local agency ministerially consider a permit application to construct one of the above-specified variations of ADUs, and would remove the authorization for a local agency to impose objective standards on those ADUs, as specified above. By further prohibiting local governments from imposing certain standards on ADUs, the bill would impose a state-mandated local program.

(2) Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust. Existing law authorizes a borrower to bring an action for injunctive relief to enjoin material violations of certain of these requirements, and requires that the injunction remain in place and any trustee's sale be enjoined until the court determines that the violations have been corrected, as specified.

This bill would make certain conduct an unlawful practice in connection with a subordinate mortgage, including, among others, that the mortgage servicer did not provide the borrower with any communication regarding the loan secured by the mortgage for at least 3 years. The bill would prohibit a mortgage servicer from conducting or threatening to conduct a nonjudicial foreclosure until the mortgage servicer (A) simultaneously with the recording of a notice of default, records or causes to be recorded a certification, as specified, under penalty of perjury that either the mortgage servicer did not engage in an unlawful practice or the mortgage servicer lists all instances when it committed an unlawful practice and (B) simultaneously with the service of a recorded notice of default, the mortgage servicer sends the recorded certification and a notice to the borrower, as specified. By expanding the scope of a crime, this bill would impose a state-mandated local program.

(3) Existing law, the Davis-Stirling Common Interest Development Act, governs the formation and operation of common interest developments. Existing law requires that a common interest development be managed by an association.

Existing law, if an association adopts or has adopted a policy imposing any monetary penalty on any association member for a violation of the governing documents, requires the board to adopt and distribute to each member a schedule of the monetary penalties that may be assessed for those violations, as provided, and prohibits an association from imposing a monetary penalty on a member for a violation of the governing documents in excess of that schedule. Existing law requires the board

to notify a member 10 days before a meeting to consider or impose discipline on the member, as specified. Existing law requires the board to provide a member with written notification of a decision to impose discipline on the member within 15 days.

This bill would prohibit monetary fees from exceeding the lesser of that specified schedule or \$100 per violation, except as specified. The bill would require the board to give a member the opportunity to cure a violation prior to the meeting to consider or impose discipline, as specified. If the board and the member are in agreement after the meeting to consider or impose discipline, the bill would require the board to draft a written resolution. The bill would provide that the written resolution, signed by the association and member of a dispute pursuant to the procedure not in conflict with the law or governing documents, binds the association and is judicially enforceable. The bill would reduce the time to provide written notification of a decision to impose discipline from 15 days to 14 days.

(4) Existing law, until July 1, 2042, establishes the Seismic Retrofitting Program for Soft Story Multifamily Housing for the purposes of providing financial assistance to owners of soft story multifamily housing for seismic retrofitting to protect individuals living in multifamily housing that have been determined to be at risk of collapse in earthquakes, as specified. Existing law establishes the Seismic Retrofitting Program for Soft Story Multifamily Housing Fund, and its subsidiary account, the Seismic Retrofitting Account, within the State Treasury. Existing law requires the California Residential Mitigation Program, also known as the CRMP, to develop and administer the program, as specified.

This bill would require, upon appropriation by the Legislature, the CRMP to fund the seismic retrofitting of affordable multifamily housing, as specified. The bill would require the CRMP to prioritize affordable multifamily housing serving lower income households, as defined.

(5) Existing law creates the National Mortgage Special Deposit Fund in the State Treasury, which is continuously appropriated and subject to allocation by the Department of Finance, for the receipt of moneys from the National Mortgage Settlement. Existing law allocates \$300,000,000 from the fund to be administered by the California Housing Finance Agency for the purpose of providing housing counseling services certified by the federal Department of Housing and Urban Development to homeowners, former homeowners, or renters

and providing mortgage assistance to qualified California households, as specified.

This bill would expand the purpose of the above-described allocation to include providing legal services for home ownership preservation, as specified. By providing new purposes for which an appropriation may be used, this bill would make an appropriation.

(6) Existing law prescribes requirements for the disposal of surplus land by a local agency. Existing law provides that an agency is not required to follow the requirements for disposal of surplus land for “exempt surplus land,” except as provided. Existing law defines “exempt surplus land” to mean, among other things, real property that a school district is required to appoint a district advisory committee prior to sale, lease, or rental of any excess real property, as specified, and real property that a school district may exchange for real property of another person or private business firm, as specified.

This bill would remove the above-described school district real property from the definition of “exempt surplus land,” thereby requiring that the disposal of that property be done in accordance with the above-described requirements for surplus land disposal.

(7) Existing law, the Affordable Housing on Faith and Higher Education Lands Act of 2023, specifies that a housing development project shall be a use by right, as defined, upon the request of an applicant who submits an application for streamlined approval if, among other criteria, the development is located on land owned on or before January 1, 2024, by an independent institution of higher education or a religious institution, as specified. Existing law prohibits the development from being adjoined to any site where more than $\frac{1}{3}$ of the square footage of the site is dedicated to light industrial use, and defines “light industrial use” for these purposes as a use that is not subject to permitting by a district, as defined.

This bill would instead define “light industrial use” as an industrial use that is not subject to permitting by a district.

Existing law authorizes a development project that is eligible for approval as a use by right pursuant to the act to include ancillary uses on the ground floor of the development. For single-family residential zones, the ancillary uses are limited to childcare centers and facilities operated by community-based organizations, and in all other zones, for commercial uses that are permitted without a conditional use permit or planned unit development permit.

This bill would specify that the childcare facilities are without limitation on the number of children and that the permitted commercial uses for all zones other than single-family residential zones also include childcare centers and facilities operated by community-based organizations.

Existing law specifies that a development project eligible for approval as a use by right pursuant to the act includes any religious institutional use or any use that was previously existing and legally permitted if, among other things, the total parking requirement for nonresidential space on the site does not exceed the lesser of the amount existing or of the amount required by a conditional use permit.

This bill would delete that parking requirement and would instead require the proposed development to provide up to one space per unit, unless a state law or local ordinance provides for a lower standard of parking.

Existing law, for a housing development project that qualifies as a use by right pursuant to the act, allows a certain density based on zoning and other factors, as applicable, including a height of one story above the maximum height otherwise applicable to the parcel.

This bill would instead specify the development is entitled to a height of one story or 11 feet above the maximum height otherwise applicable to the parcel.

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a housing element. After a legislative body has adopted all or part of a general plan, existing law requires, among other things, that a planning agency provide by April 1 of each year an annual report to specified entities that includes prescribed information, including the number of units of housing demolished and new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies, as specified.

This bill would require the annual report to also include specified information with respect to housing development projects under the Affordable Housing on Faith and Higher Education Lands Act of 2023.

(8) Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside

its boundaries, that contains certain mandatory elements, including a housing element. That law requires each local government to review its housing element and to revise the housing element in accordance with a specified schedule. For the 4th and subsequent revisions of the housing element, existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, and requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law requires the department to meet and consult with the council of governments regarding the assumptions and methodology used to determine a region's housing needs at least 26 months prior to the scheduled revision. Existing law requires the council of governments to provide certain data assumptions from the council's projections, if available, including, among other things, the percentage of households that are overcrowded, the overcrowding rate for a comparable housing market, the percentage of households that are cost burdened, and the rate of housing cost burden for a healthy housing market.

This bill would revise these data assumptions requirements to, instead, require the council of governments to provide data on the percentage of households that are overcrowded within the region, the percentage of households that are overcrowded throughout the nation, the percentage of households that are cost burdened within the region, and the percentage of households that are cost burdened throughout the nation.

Existing law requires each council of governments, or delegate subregion, as applicable, to develop, in consultation with the department, a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable, at least 2 years before a scheduled revision. This methodology is also referred to as the allocation methodology. Existing law requires the council of governments, or delegate subregion, as applicable, to publish a draft allocation methodology on its internet website and submit the draft allocation methodology to the department. Existing law requires the department to determine whether the methodology furthers the specified objectives within 60 days. If the department determines that the methodology is not consistent with the objectives, existing law requires

the council of governments, or delegate subregion, as applicable, to either (A) revise the methodology to further the objectives and adopt a final regional, or subregional, housing need allocation methodology or (B) adopt the regional, or subregional, housing need allocation methodology without revisions and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives, despite the findings of the department.

This bill, if the department determines that the draft allocation methodology is not consistent with the objectives, would instead require the council of governments, or delegate subregion, to revise the methodology, in consultation with the department, to further the objectives within 45 days, receive department acceptance that the revised methodology furthers the objectives, and adopt a final regional, or subregional, housing need allocation methodology. The bill would remove the ability for a council of governments or delegate subregion to adopt the regional or subregional housing need allocation methodology without revision, as described above.

(9) Existing law, except as provided, generally requires that a public hearing be held on an application for a variance from the requirements of a zoning ordinance, an application for a conditional use permit or equivalent development permit, a proposed revocation or modification of a variance or use permit or equivalent development permit, or an appeal from the action taken on any of those applications. Existing law, until January 1, 2034, prohibits a city or county from conducting more than 5 hearings, as defined, held pursuant to these provisions, or any other law, ordinance, or regulation requiring a public hearing, if a proposed housing development project complies with the applicable objective general plan and zoning standards in effect at the time an application is deemed complete, as defined. Existing law, until January 1, 2034, requires the city or county to consider and either approve or disapprove the housing development project at any of the 5 hearings consistent with the applicable timelines under the Permit Streamlining Act.

This bill would remove the January 1, 2034, repeal date with respect to the requirements that a city or county conduct no more than 5 hearings on a housing development project, and either approve or disapprove that housing development at any of those hearings, as described above, thereby extending these provisions indefinitely.

(10) Existing law, until January 1, 2030, for purposes of any state or local law, ordinance, or regulation that requires a city or county to determine whether the site of a proposed housing development project is a historic site, requires the city or county to make that determination, which remains valid for the pendency of the housing development, at the time the application is deemed complete, except as provided.

This bill would remove the January 1, 2030, repeal date for these provisions, thereby extending them indefinitely.

(11) Existing law, the Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project that complies with applicable objective general plan, zoning, and subdivision standards and criteria, or from imposing a condition that it be developed at a lower density, unless the local agency bases its decision on written findings supported by the preponderance of the evidence on the record that specified conditions exist, as provided. That act also prohibits a local agency from disapproving, or from conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes written findings, based on the preponderance of the evidence, that one of 6 specified conditions exists.

The act authorizes the applicant, a person who would be eligible to apply for residency in the housing development project or emergency shelter, or a housing organization to bring an action to enforce its provisions and authorizes a court to issue an order or judgment directing the local agency to approve the housing development project or emergency shelter under certain circumstances. Those circumstances include, among others and until January 1, 2030, that the local agency required or attempted to require a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a preliminary application was submitted, as specified.

This bill would remove the January 1, 2030, inoperative date for this provision of the act, thereby extending this provision of the Housing Accountability Act indefinitely.

The act, except as specified, requires that a housing development project be subject only to the ordinances, policies, and standards, as defined, adopted and in effect when a preliminary application, including specified information, required by specified law as described below, was submitted. The act makes this requirement inoperative on January 1, 2034.

This bill would remove the January 1, 2034, inoperative date for this requirement under the act, thereby extending this provision of the Housing Accountability Act indefinitely.

Among other terms, the act defines the term “deemed complete” for its purposes to mean, until January 1, 2030, that the applicant has submitted a preliminary application or a complete application, as specified, and requires that the local agency bear the burden of proof in establishing that the application is not complete. The act also defines the term “determined to be complete” for its purposes to mean, until January 1, 2030, that the applicant has submitted a complete application, as specified. The act also defines the term “objective” to mean, until January 1, 2030, involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.

This bill would remove the January 1, 2030, inoperative date for each of these definitions, thereby extending their application under the Housing Accountability Act indefinitely.

(12) Existing law, the Permit Streamlining Act, requires public agencies to compile one or more lists that specify in detail the information that will be required from any applicant for a development project. The act requires a public agency to determine in writing whether the application is complete and to immediately transmit the determination to the applicant for the development project, not later than 30 calendar days after the public agency received the application for the development project. The act defines “development project” for purposes of its provisions to mean any project undertaken for the purpose of development, including a project involving the issuance of a permit for construction or reconstruction but not a permit to operate, and excludes from this definition any ministerial projects proposed to be carried out or approved by public agencies.

This bill, notwithstanding the exclusion for ministerial projects, would include in the definition of “development project” under the Permit Streamlining Act a housing development project that requires an entitlement from a local agency, regardless of whether the process for permitting that entitlement is discretionary or ministerial. The bill would also exclude from this definition a postentitlement phase permit, as defined by specified law.

The act requires a city or county to deem an applicant for a housing development project to have submitted a preliminary application upon

providing specified information about the proposed project to the city or county from which approval for the project is being sought. Existing law also authorizes a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and requires a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. Existing law repeals these provisions as of January 1, 2030.

This bill would remove the January 1, 2030, repeal date for these provisions, thereby extending the provisions indefinitely.

No later than 30 calendar days after receiving an application for a development project, the act requires a local agency to determine in writing whether the application is complete and immediately transmit that determination to the applicant. The act, until January 1, 2030, requires a public agency, upon its determination that an application for a development project is incomplete, to provide the applicant with an exhaustive list of items that were not complete, as specified. The act, until January 1, 2030, requires each city and each county to make copies of any list compiled, as described above, with respect to information required from an applicant for a housing development project, as defined, available in writing to those persons to whom the agency is required to make information available, as provided, and publicly available on the internet website of the city or county.

This bill would remove the January 1, 2030, repeal date with respect to provision of an exhaustive list of requirements not complete, and availability of lists compiled with respect to housing development projects, thereby extending these provisions indefinitely.

The act requires public agencies to approve or disapprove of a development project within certain timeframes, as specified. The act, until January 1, 2030, generally requires that a public agency that is the lead agency for certain development projects approve or disapprove the project within 90 days from the date of certification by the lead agency of an environmental impact report prepared for the project, but reduces this time period to 60 days from the certification of an environmental impact report if the project meets certain additional conditions relating to affordability. The act, until January 1, 2030, defines the term “development project” for this purpose to mean a housing development project, as that term is defined for purposes of the Housing Accountability Act, except as specified. Beginning January 1, 2030, the act extends the above-described timelines from 90 days to

120 days, and from 60 days to 90 days, respectively, and defines the term “development project” to mean a use consisting of residential units only or certain mixed-use developments.

This bill would remove the January 1, 2030, repeal date for the 90-day and 60-day timelines described above and for the definition of “housing development project,” thereby extending these provisions indefinitely, and would make a conforming change by repealing the above-described provisions that take effect on January 1, 2030.

This bill would also require that a public agency that is the lead agency for a development project approve or disapprove a project within 60 days, as specified, from the date of receipt of a complete application, if the project is subject to ministerial review by the public agency. The bill would, for a development project exempt from the California Environmental Quality Act (CEQA) pursuant to the below-described CEQA exemption for housing development projects, require that a public agency that is the lead agency for the development projects approve or disapprove the project within 30 days from the conclusion of specified environmental assessments.

Existing law requires a public agency, other than the California Coastal Commission, that is a responsible agency for a housing development, as defined, that has been approved by the lead agency to approve or disapprove the development within specified time periods.

This bill would require the California Coastal Commission to comply with those time periods applicable to a responsible agency.

The act authorizes an applicant for a permit for a development project, if any provision of law requires a lead agency or responsible agency to provide public notice of the development project or to hold a public hearing on the development project and the agency has not done so at least 60 days before the expiration of specified time limits, to file an action to compel the agency to provide the public notice or hold the hearing, as specified. In the event that a lead agency or a responsible agency fails to act to approve or to disapprove a development project within the time limits required by the act, existing law deems the failure to act as an approval of the permit application for the development project, only if the public notice required by law has occurred, as specified.

This bill would remove the requirement that the public notice required by law has occurred, in order for the failure to act to be deemed as an approval of the permit application for the development project.

The act provides that the time limits specified in the act are maximum time limits for approving or disapproving development projects. The act requires, if possible, public agencies to approve or disapprove development projects in shorter periods of time.

This bill would require that the time limits specified in the act only apply to the extent that the time limits are equal to or shorter than the applicable time limits for public agency review established in any other law.

(13) Existing law, known as the Housing Crisis Act of 2019, prohibits an affected county or an affected city, as defined and determined by the Department of Housing and Community Development, as specified, from enacting certain development policies, standards, or conditions with respect to land where housing is an allowable use, including policies, standards, or conditions that impose a moratorium or similar restriction or limitation on housing development or that limit the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated. The act also prohibits an affected city or an affected county from approving a housing development project that will require the demolition of one or more residential dwelling units, unless the project will create at least as many residential dwelling units as will be demolished, or from approving a development project that will require the demolition of occupied or vacant protected units or that is located on a site where protected units were demolished in the previous 5 years, unless specified conditions are met. The act repeals these provisions as of January 1, 2034.

This bill would remove the above-described January 1, 2034, repeal date, thereby extending application of the Housing Crisis Act of 2019 indefinitely.

(14) Existing law, the Subdivision Map Act, vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification thereof. The act generally requires a subdivider to file a tentative map or vesting tentative map with the local agency, as specified, and the local agency, in turn, to approve, conditionally approve, or disapprove the map within a specified time period. A violation of any provision of this act is a crime.

Existing law, known as the Starter Home Revitalization Act of 2021, among other things, requires a local agency to ministerially consider,

without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets certain requirements, including that the housing development project on the lot proposed to be subdivided will contain 10 or fewer residential units, except as provided.

This bill would authorize the proposed subdivision to designate a remainder parcel, as described, that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. Under the bill, the remainder parcel would not count against the 10-parcel maximum, as described above. The bill would also exclude the area of any designated remainder parcel from specified residential density calculations under the Starter Home Revitalization Act of 2021. By expanding the duties for a local agency to ministerially consider a housing development project, this bill would impose a state-mandated local program. The bill would make nonsubstantive and related conforming changes to the Starter Home Revitalization Act of 2021.

Existing law authorizes a local agency to condition the approval and recordation of a subdivision map upon the completion of a residential structure in compliance with all applicable provisions of the California Building Standards Code that contains at least one dwelling unit on each resulting parcel that does not already contain an existing legally permitted residential structure or is reserved for internal circulation, open space, or common area.

This bill would, instead, generally prohibit a person from selling, leasing, or financing any parcel or parcels of real property resulting from a subdivision under this section, as specified, separately from any other such parcel or parcels, unless each parcel that is sold, leased, or financed meets one of 4 specified alternative criteria, including that the parcel contains a residential structure completed in compliance with all applicable provisions of the California Building Standards Code that includes at least one dwelling unit. Under the bill, a violation of this prohibition would constitute the sale of real property that has been divided in violation of the Subdivision Map Act, subject to the penalties and remedies set forth in specified provisions of the Subdivision Map Act. However, the bill would authorize a local agency, by ordinance or map condition, to authorize the sale, lease, or finance of any parcel or parcels of real property resulting from a subdivision, as specified, without compliance with the above-described prohibition on the sale, lease, or finance of a parcel or parcels of real property. Because a

violation of these prohibitions would be a crime, the bill would impose a state-mandated local program.

(15) Existing law establishes the Department of Housing and Community Development (department) in the Business, Consumer Services, and Housing Agency. Existing law, the California Building Standards Law, establishes the California Building Standards Commission (commission) within the Department of General Services. Existing law requires the commission to approve and adopt building standards and to codify those standards in the California Building Standards Code (code). Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation.

Existing law requires, among other things, the building standards adopted and submitted by the department for approval by the commission, as specified, to be adopted by reference, with certain exceptions. Existing law authorizes any city or county to make changes in those building standards that are published in the code, including to green building standards. Existing law requires the governing body of a city or county, before making modifications or changes to those green building standards, to make an express finding that those modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions.

This bill would, from October 1, 2025, to June 1, 2031, inclusive, prohibit a city or county from making changes that are applicable to residential units to the above-described building standards unless a certain condition is met, including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety.

This bill would, from October 1, 2025, to June 1, 2031, inclusive, require the commission to reject a modification or change to any building standard, as described above, affecting a residential unit and filed by the governing body of a city or county unless a certain condition is met (excluded conditions), including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety. The bill would also make related findings and declarations. The bill would authorize the commission to rely on a statement by the local agency that specified excluded conditions are met. The bill would also authorize the city or county to request the commission to review one of the excluded conditions relating to changes or modifications related to administrative practices.

The California Building Standards Law defines various terms to govern the construction of its provisions, including “model code,” which means any building code drafted by private organizations or otherwise, and is required to include, but not be limited to, the latest edition of various codes.

This bill would modify the definition of “model code” to add the latest edition of the International Wildland-Urban Interface Code of the International Code Council.

Existing law requires the commission to receive proposed building standards from state agencies for consideration in an 18-month code adoption cycle and to develop regulations, as specified, setting forth the procedures for the 18-month adoption cycle.

This bill, from October 1, 2025, to June 1, 2031, inclusive, would provide that the above-described requirement does not apply to any building standards affecting residential units and would prohibit the commission from considering, approving, or adopting any proposed building standards affecting residential units, unless a certain condition is met, including that the commission deems those changes necessary as emergency standards to protect health and safety.

The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the commission for approval and adoption.

This bill, from October 1, 2025, to June 1, 2031, inclusive, would prohibit the commission or any other adopting agency from considering, approving, or adopting any proposed building standards affecting residential units, unless a certain condition is met, including that the commission deems those changes necessary as emergency standards to protect health and safety.

Existing law requires only those building standards approved by the commission, and that are effective at the local level at the time an application for a building permit is submitted, to apply to the plans and specifications for, and to the construction performed under, that building permit. Existing law requires a local ordinance adding or modifying building standards for residential occupancies, which are published in the California Building Standards Code, to apply only to an application for a building permit submitted after the effective date of the ordinance and to the plans and specifications for, and the construction performed under, that permit, subject to certain exceptions.

This bill would, notwithstanding those provisions, require the state and local building standards in effect at the time an application for a building permit is submitted, for a residential dwelling based on a model home design approved under those standards, to apply to all future residential dwellings based on that approved model home design in the same jurisdiction, unless a certain condition applies. By requiring local entities to apply certain building standards, this bill would impose a state-mandated local program.

Existing law provides that neither the State Building Standards Law, nor the application of certain building standards, limits the authority of a city, county, or city and county to establish more restrictive building standards, including, but not limited to, green building standards, reasonably necessary because of local climatic, geological, or topographical conditions, and pursuant to making certain findings.

This bill would, notwithstanding those provisions, from October 1, 2025, to June 1, 2031, inclusive, prohibit a city or county from establishing more restrictive building standards that are applicable to residential units, unless a certain condition is met, including that the commission deems those changes or modifications necessary as emergency standards to protect health and safety.

Existing law requires the commission to publish, or cause to be published, editions of the code in its entirety once in every 3 years, and supplements as necessary in the intervening period. Existing law also requires an emergency building standards supplement to be published whenever the commission determines it is necessary.

This bill would limit the changes adopted during the intervening period to changes deemed necessary for editorial or clarity reasons, certain technical updates to existing code requirements, emergency building standards, amendments by the State Fire Marshal to specified building standards, certain necessary building standards and related state amendments, certain changes or modifications to administrative practices, and building standards necessary to incorporate minimum federal accessibility requirements, as specified.

(16) Existing law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce. Existing law requires an inspection, by January 1, 2026, and by January 1 every 6 years thereafter, of exterior elevated elements and associated

waterproofing elements, as defined, including decks and balconies, for buildings with 3 or more multifamily dwelling units, as specified.

This bill would provide that, notwithstanding the above-described inspection timeline, a building owner who confirms the presence of asbestos containing material (ACM) during an inspection, as specified, has up to 9 months to complete the necessary ACM abatement, as provided. The bill would require the building owner to, upon completion of ACM abatement, complete the inspection within no more than 4 months. The bill would require the building owner to retain records confirming the presence of ACM and its abatement for 3 years after completion of the inspection. By imposing additional duties on local officials, this bill would impose a state-mandated local program.

(17) The State Housing Law, among other things, requires the Department of Housing and Community Development to adopt, amend, or repeal rules and regulations for the protection of the health, safety, and general welfare of the occupant and the public relating to specified residential structures, as provided, which apply throughout the state. Existing law requires the housing or building department of every city or county, or the health department if there is no building department, to enforce within its jurisdiction the provisions of the State Housing Law, building standards, and the other rules and regulations adopted by the department pertaining to the maintenance, sanitation, ventilation, use, or occupancy of apartment houses, hotels, or dwellings. Existing law authorizes an officer, employee, or agent of an enforcement agency to enter and inspect any building or premises whenever necessary to secure compliance with, or prevent a violation of, specified law, including the State Housing Law. A violation of the State Housing Law, or of the building standards or rules and regulations adopted pursuant to that law, is a misdemeanor.

Existing law requires a city or county that receives a complaint from an occupant of a homeless shelter, as defined, or an agent of an occupant, alleging that a homeless shelter is substandard to, among other things, inspect the homeless shelter or portion thereof intended for human occupancy that may be substandard, as specified. Existing law requires a city or county that determines a homeless shelter is substandard to issue a notice to correct the violation to the owner or operator of the homeless shelter, as specified. Existing law makes the owner or operator of a homeless shelter responsible for correcting any violation cited pursuant to these provisions.

This bill would require a city or county to additionally perform an annual inspection of every homeless shelter located in its jurisdiction, as prescribed. The bill would authorize the above-described inspection or annual inspection to be announced or unannounced. The bill would require homeless shelters to prominently display notice of an occupant's rights, the process for reporting a complaint alleging a homeless shelter is substandard, and prescribed information, including specified contact information. The bill would require the homeless shelter to provide the same notice in writing to new occupants upon intake.

Existing law authorizes a city or county to impose additional civil penalties on an owner or operator that fails to correct a violation within the required time period. Existing law prohibits a city or county from awarding or distributing any state funding, as defined, to the owner or operator of a homeless shelter for purposes of operating the homeless shelter if, among other things, the owner or operator fails to correct a violation within the required time period. Existing law also authorizes legal action to enforce the requirements of these provisions, as specified.

This bill would entitle a plaintiff who prevails in an above-described legal action to recover reasonable attorney's fees and costs. The bill would additionally authorize the Department of Housing and Community Development to bring a civil action to enforce these provisions.

Existing law requires each city and county to annually submit a report that provides specified information relating to inspections of homeless shelters, including a list of owners or operators of homeless shelters who received 3 or more violations within any 6-month period. If there are no outstanding violations or violations corrected during the applicable period, existing law exempts a city or county from submitting that report. Existing law authorizes the Department of Housing and Community Development or the Business, Consumer Services, and Housing Agency to deem an owner or operator of a shelter ineligible for state funding, as defined, for shelter operations based on the information provided in the report.

This bill would, instead, require a city or county to submit a report each year, regardless of whether the city or county received any complaints, and to include in its annual report the number of complaints received by the city or county that year, including if the city or county did not receive any complaints. The bill would require the department to withhold state funding from a city or county that fails to comply with its reporting requirements or fails to take action to correct a violation by a homeless shelter.

By adding to the duties of local officials with respect to enforcement of the State Housing Law, the violation of which is a crime, this bill would impose a state-mandated local program.

(18) The California Constitution prohibits the development, construction, or acquisition in any manner of a low-rent housing project by any state public body, as defined, until a majority of the qualified electors of the city, town, or county in which it is proposed to develop, construct, or acquire the same, voting upon that issue, approve the project by voting in favor at an election. The California Constitution, for purposes of this prohibition, defines “low-rent housing project” to mean any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or in part by the federal government or a state public body, or to which the federal government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. Existing law establishes exclusions from this definition of “low-rent housing project,” including, among others, a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act and the Affordable Housing and Sustainable Communities Program.

Existing law, the Behavioral Health Infrastructure Bond Act of 2024 (bond act), which establishes the Behavioral Health Infrastructure Fund, requires specified proceeds of interim debt and bonds that are issued and sold pursuant to the bond act to be deposited in the fund, and continuously appropriates the fund for purposes of the bond act. Existing law requires the moneys in the fund to be used for certain purposes, including making loans or grants administered by the Department of Housing and Community Development to state, regional, and local public entities and development sponsors to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing for persons who are homeless, chronically homeless, or are at risk of homelessness, and are living with a behavioral health challenge, are veterans, or are part of a veteran’s household. Existing law allocates moneys in the fund for those purposes.

This bill would expand the above-described exclusion to include a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination

thereof of lodging facilities or dwelling units using moneys appropriated and disbursed pursuant to the bond act, thereby excluding the developments that receive moneys from the specified fund and program from the scope of the above-described constitutional provision.

(19) Existing law establishes the Interagency Council on Homelessness and requires the goals of the council to include, among other things, identifying mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. Existing law requires the council to administer certain grant programs to assist local governments in addressing homelessness.

Existing law establishes the Homeless Housing, Assistance, and Prevention program (HHAP) for the purpose of providing jurisdictions with grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified. Existing law provides for the allocation of funding under the program among continuums of care, cities, counties, and tribes in 6 rounds, which are administered by the council. Existing law requires a program applicant to provide specified information through data collection, reporting, performance monitoring, and accountability framework.

Existing law mandates that responsibility for administering specified grant programs transferred from the council to the Department of Housing and Community Development, including the HHAP program.

This bill would specify that the reporting requirements described above apply to all rounds of the HHAP program and make conforming changes to reflect the transfer of responsibility for the reporting framework from the council to the department.

(20) Existing law establishes the Encampment Resolution Funding program, administered by the Interagency Council on Homelessness, to increase collaboration between the council, local jurisdictions, and continuums of care for specified purposes. Existing law requires the council to administer the funding round 1 moneys of the programs in accordance with specified timelines, and requires recipients of funding round 1 moneys to expend all program funds no later than June 30, 2024, as specified.

Existing law requires recipients of additional funding round moneys for projects from prior funding rounds that the council determined satisfied applicable program requirements but were not funded in the prior round to expend at least 50% of their allocation within 2 fiscal years of the appropriation from the Legislature, to obligate 100% of

their allocation within 2 fiscal years of the appropriation, and to expend all program funds within 3 fiscal years of the appropriation, as specified.

Existing law requires recipients of additional funding round moneys awarded on a rolling basis pursuant to specified provisions to expend at least 50% of their allocation within 2 fiscal years of the appropriation from the Legislature, to obligate 100% of their allocation within 2 fiscal years of the appropriation, and to expend all program funds within 4 fiscal years of the appropriation.

This bill would revise the above-described timelines to instead be within the above-specified fiscal years of the date of the award.

(21) Existing law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, among other things, establishes the Department of Housing and Community Development and requires it to administer various programs intended to promote the development of housing and to provide housing assistance and home loans. Existing law sets forth various general powers of the department in implementing these programs, including authorizing the department to enter into long-term contracts or agreements of up to 30 years for the purpose of servicing loans or grants or enforcing regulatory agreements or other security documents.

Existing law, unless an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity would result in a rent increase for tenants of a development, authorizes the department to approve an extension, reinstatement, subordination, or investment pursuant to specified rental housing finance programs, as specified, or if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the restructured loan. Existing law authorizes the adjustment of rents for assisted units to the minimum extent necessary to support new debt to pay for rehabilitation, as specified, and provides formulas to calculate the maximum allowable rent increase for different programs. Existing law authorizes the department to charge a monitoring fee to cover the aggregate monitoring costs in years the loan is extended and a transaction fee to cover its costs for processing restructuring transactions, and requires developer fee limitations to be consistent with specified laws and regulations, including regulations by the California Tax Credit Allocation Committee.

This bill would revise and recast these provisions, including additionally authorizing the department to approve the payoff of a department loan in whole or part before the end of its term and the extraction of equity from a development for purposes approved by the department. The bill would specify eligible uses of loan and equity sources, if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the department's regulatory agreement for purposes of approving an extension, reinstatement, subordination, payoff, extraction, or investment, as described above. The bill would prohibit the extension, reinstatement, subordination, payoff, extraction, or investment, as described above, if it would result in a rent increase for tenants of a development over and above the annual adjustment to the tenants' rents under the department's regulatory agreement.

This bill would recast certain provisions related to regulatory agreements, including authorizing the department to add another regulatory agreement and authorizing the department to waive specified requirements in the regulatory agreement if the loan is paid off, including requiring occupancy and financial reports. The bill would specify that rents for assisted units may not be adjusted to support new debt for the extraction of equity. The bill would revise certain provisions related to calculating a permitted rent increase, as provided. The bill would authorize the department to charge additional fees as necessary to cover its costs for processing restructuring transactions, and would provide that the monitoring fees continue until the end of the term of the department's regulatory agreement, as specified. The bill would limit developer fees to the amount allowed by the California Tax Credit Allocation Committee or to 25% of actual rehabilitation costs, as applicable.

This bill would require the department, subject to certain conditions, to allow property owners subject to a regulatory agreement with the department to take out additional debt on the development in order to finance, with the department's approval, the rehabilitation of the property or investment in new affordable housing.

Existing law, known as the No Place Like Home Program, requires the department to award up to \$2,000,000,000 among counties to finance capital costs, including, but not limited to, acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves, of permanent supportive housing for the target population, as specified.

This bill would define “capitalized operating reserves” for purposes of the Zenovich-Moscone-Chacon Housing and Home Finance Act and the No Place Like Home Program.

(22) Existing law requires the Department of Housing and Community Development to administer various programs intended to promote the development or rehabilitation of housing, including the Joe Serna, Jr. Farmworker Housing Grant Program, the Multifamily Housing Program, the Transit-Oriented Development Implementation Program, the Veterans Housing and Homeless Prevention Act of 2014, the No Place Like Home Program, the Deferred-Payment Rehabilitation Loan Program, the Family Housing Demonstration Program, and the Affordable Housing and Sustainable Communities Program. Existing law authorizes the department to set aside, designate, use, or expend a portion of the funds in those programs for specified purposes, including to cure or avert a default on certain loans or obligations, or to bid at a foreclosure sale where the default or foreclosure sale would jeopardize the department’s security in certain rental housing developments.

This bill would establish the Affordable Housing Default Reserve Account. The bill would provide that all moneys in the account are continuously appropriated to the department for the purpose of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department’s security in the rental housing development assisted by the department. The bill also would authorize the department to use the funds in the account to repair or maintain specified rental housing developments. The bill would authorize the Department of Finance to transfer amounts in specified funds or programs to the Affordable Housing Default Reserve Account for expenditure by the department. During any fiscal year, if the department spends a total of more than 25% of the balance that was in the account at the start of that fiscal year, the bill would require, within 30 days of surpassing that amount, the department to provide written notice to the Joint Legislative Budget Committee, as specified.

(23) Existing law establishes the Regional Early Action Planning Grants Program of 2021 (program) for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities, as defined. Existing law requires the Department of Housing and Community Development (department) to develop and administer the program, in collaboration with the Office

of Land Use and Climate Innovation, the Strategic Growth Council, and the State Air Resources Board, and to distribute funds, upon appropriation, in accordance with specified requirements.

Existing law requires a recipient of funds under the program to obligate those funds no later than September 30, 2024, and expend those funds no later than June 30, 2026. Existing law requires each eligible entity that receives an allocation of funds pursuant to certain of the program's provisions to submit a final report on the use of those funds to the department, as specified, no later than December 31, 2026.

This bill would instead require a recipient of funds under the program to expend those funds no later than December 31, 2026, and would require the above-described final report to be submitted no later than June 30, 2027. The bill would also require the final invoice submission deadline to reimburse those funds to be June 30, 2027.

If certain of those entities that received an allocation have unexpended funds after June 30, 2026, existing law authorizes the department to make those funds available to other of those entities for reimbursement of expenditures incurred before June 30, 2026, as specified, before December 31, 2026, as specified.

This bill would instead, if certain of those entities that received an allocation have unexpended funds after December 31, 2026, authorize the department to make those funds available to other of those entities for reimbursement of expenditures incurred before December 31, 2026, as specified, before December 31, 2027, as specified.

(24) Under existing law, the Transit-Oriented Development Implementation Program is administered by the Department of Housing and Community Development to provide local assistance to developers for the purpose of developing higher density uses within close proximity to transit stations, as provided.

This bill would instead authorize the program to provide local assistance for the purpose of supporting the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure. The bill would additionally authorize the program to provide local assistance to cities, counties, cities and counties, transit agencies, and eligible tribal applicants, as defined.

Existing law establishes the Transit-Oriented Development Implementation Fund and, to the extent funds are available, requires the department to make loans for the development and construction of housing development projects within close proximity to a transit station that meet specified criteria.

This bill would instead authorize the department, to the extent funds are available, to make repayable or forgivable loans for the development and construction of vehicle miles traveled-efficient affordable housing and to make grants for infrastructure necessary for the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure projects, as specified.

This bill would require the Office of Land Use and Climate Innovation, subject to appropriation, and, with the agreement of the Regents of the University of California, contract with the University of California to conduct an evaluation of the mitigation measures used by projects participating in the Transit-Oriented Development Implementation Program to reduce vehicle miles traveled, as specified. The bill would require the office to complete the evaluation and submit a report to the Legislature on or before July 1, 2031.

(25) CEQA requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA defines a responsible agency as a public agency, other than the lead agency, which has responsibility for carrying out or approving a project. CEQA exempts from its requirements various projects, including, but not limited to, housing projects that meet certain requirements.

This bill would authorize, if a lead agency determines that a project will have a significant transportation impact, the lead agency to mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating housing or related infrastructure projects, including by contributing an amount, to be determined pursuant to guidance issued by the office, into the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program. The bill would authorize deposit of those contributions into the fund beginning on or before July 1, 2026, as determined by the department, and would make those moneys available to the department, upon appropriation by the Legislature, for the purpose of awarding funding for affordable housing or related infrastructure

projects under the program in accordance with specified priorities. The bill would require, on or before July 1, 2026, and at least once every 3 years thereafter, the office, in consultation with other state agencies, to issue guidance related to the implementation of these provisions, as provided. The bill would require the office, in consultation with the department, the Transportation Agency, and regions, to evaluate the use of vehicle miles traveled mitigation resources allocated pursuant to the above-described program, as specified, beginning the year following the first distributions of funding. The bill would make related findings and declarations.

Existing law requires workers employed on public works to be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality that the public work is performed, as prescribed, unless an exception applies.

This bill would exempt from the requirements of CEQA any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project, as may be required by CEQA, if the housing development project meets certain conditions relating to, for example, size, density, location, and use, including specific requirements for any housing on the project site located within 500 feet of a freeway. This bill would require a local government to, within specified timeframes, provide formal notification to each California Native American tribe that is traditionally and culturally affiliated with the project site as an invitation to consult on the proposed project, as specified. The bill would require a local government, as a condition of approval for the development, to require the development proponent to complete a specified environmental assessment regarding hazardous substance releases. If a recognized environmental condition is found, the bill would require the development proponent to complete a preliminary endangerment assessment and specified mitigation based on that assessment.

~~This bill would also require a housing development project, subject to this CEQA exemption, to meet specified minimum wage requirements for construction workers on the project, as prescribed. The bill would also exempt specified housing development projects that are subject to this CEQA exemption from the minimum wage requirement and require those projects to be paid prevailing wage rates, as specified, regardless of whether the housing development project is a public work. The bill would require specified projects, including specified projects of 50 units or greater in the City and County of San Francisco, to comply with~~

specified labor standards, extend the liability to a development proponent, as defined, for any debt owed to a wage claimant or third party on the wage claimant's behalf under specified law, and authorize a joint labor-management cooperation committee to bring an action to enforce the specified requirements, as specified. ~~The bill would specify that the minimum wage requirements, the extension of the liability to a development proponent, and the authorization of a joint labor-management cooperation committee to bring action to enforce specified requirements do not apply to projects of 25 units or fewer, or in the City and County of San Francisco, 10 units or fewer, that are subject to this CEQA exemption.~~

Because a lead agency would be required to determine whether a housing development project qualifies for the above-described exemption and because a local government would be required to provide formal notification to California Native American tribes, the bill would impose a state-mandated local program.

~~(26) Existing law generally requires that workers employed on public works be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work, as prescribed. Existing law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor. Existing law requires the Director of Industrial Relations to determine the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed, and the general prevailing rate of per diem wages for holiday and overtime work, as specified.~~

~~This bill would prohibit the Director of Industrial Relations from considering wages for work on any housing development project, as defined, in the determination of the prevailing rate of per diem wages, as specified. The bill would require that a housing development project that qualifies as a public works project subject to prevailing wage requirements be paid not less than the general prevailing rate of per diem wages for holiday and overtime work, as specified. To the extent that these provisions would expand the definition of a crime, this bill would impose a state-mandated local program.~~

~~(27)~~

(26) The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet

specified conditions for certain streamlining benefits related to CEQA. The act requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. Among other categories of projects, the act authorizes the Governor to certify a housing development project that, among other things, will result in a minimum investment of \$15,000,000, but less than \$100,000,000, in California upon completion of construction.

This bill would authorize the governor to designate for this streamlining one of these housing development projects that will result in an investment of \$15,000,000 or more in California upon completion, without an upper limit on the resulting investment.

The act requires, as one of the conditions for certification of a housing development project, that it not result in any net additional emission of greenhouse gases, including greenhouse gas emissions from employee transportation. The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

The bill would authorize, as an alternative to the no net additional greenhouse gas condition for certification of a housing development project as an environmental leadership development project, a demonstration that the project is consistent with the most recent scoping plan adopted by the state board.

By expanding the duties imposed on lead agencies, this bill would impose a state-mandated local program.

(28)

(27) Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and prescribes the powers and responsibilities of the commission with regard to the regulation of development along the California coast.

The act prescribes procedures for the approval and certification of a local coastal program by the commission, and provides for the delegation of development review authority to a local government, as defined, with a certified local coastal program. Under the act, an action taken by a local government after certification of its local coastal program on a coastal development permit application may be appealed to the commission only on specified grounds and only for certain types of developments, including certain developments located in a sensitive

coastal resource area and any development approved by a coastal county that is not designated as the principal permitted use under the zoning ordinance or zoning district map, as specified.

This bill would exempt a residential development project, as defined, from the above provisions relating to the appeal of developments located in a sensitive coastal resource area and developments approved by a coastal county. The bill would also require the commission, no later than July 1, 2027, and annually thereafter, to submit a report to the Legislature that includes specified information relating to residential development projects for the preceding calendar year, as specified.

~~(29)~~

(28) Existing law, the Personal Income Tax Law, authorizes various credits against the taxes imposed by that law, including a credit for qualified renters in the amount of \$120 for spouses filing joint returns, heads of household, and surviving spouses if adjusted gross income is \$50,000, as adjusted, or less, and in the amount of \$60 for other individuals if adjusted gross income is \$25,000, as adjusted, or less. Existing law requires any bill authorizing a new tax credit to contain, among other things, specific goals, purposes, and objectives that the tax credit will achieve, detailed performance indicators, and data collection requirements.

Existing law establishes the continuously appropriated Tax Relief and Refund Account in the General Fund and provides that payments required to be made to taxpayers or other persons from the Personal Income Tax Fund are to be paid from that account, including any amount allowable as an earned income tax credit in excess of any tax liabilities.

This bill, for taxable years beginning on or after January 1, 2026, and only when specified annually in a bill relating to the Budget Act, would increase the credit amount for a qualified renter to \$250 and \$500, as provided. In the event the increased credit amount is not specified in a bill relating to the Budget Act, the existing credit amounts of \$120 and \$60, as described above, respectively, would be the credit amounts for that taxable year. The bill would provide findings and declarations relating to the goals, purposes, and objectives of this credit.

~~(30)~~

(29) This bill would make its provisions severable.

~~(31)~~

(30) This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

~~(32)~~

(31) This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco with respect to the above-described CEQA exemption and minimum wage requirements.

~~(33)~~

(32) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~(34)~~

(33) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 714.3 of the Civil Code is amended to
2 read:

3 714.3. (a) Any covenant, restriction, or condition contained
4 in any deed, contract, security instrument, or other instrument
5 affecting the transfer or sale of any interest in real property that
6 either effectively prohibits or unreasonably restricts the
7 construction or use of an accessory dwelling unit or junior
8 accessory dwelling unit on a lot zoned for single-family residential
9 use that meets the requirements of Article 2 (commencing with
10 Section 66314) of Chapter 13 or Article 3 (commencing with
11 Section 66333) of Chapter 13 of Division 1 of Title 7 of the
12 Government Code is void and unenforceable.

13 (b) This section does not apply to provisions that impose
14 reasonable restrictions on accessory dwelling units or junior
15 accessory dwelling units. For purposes of this subdivision,
16 “reasonable restrictions” means restrictions that do not
17 unreasonably increase the cost to construct, effectively prohibit

1 the construction of, or extinguish the ability to otherwise construct,
2 an accessory dwelling unit or junior accessory dwelling unit
3 consistent with the provisions of Article 2 (commencing with
4 Section 66314) or Article 3 (commencing with Section 66333) of
5 Chapter 13 of Division 1 of Title 7 of the Government Code.
6 “Reasonable restrictions” shall not include any fees or other
7 financial requirements.

8 SEC. 2. Section 2924.13 is added to the Civil Code, to read:

9 2924.13. (a) As used in this section:

10 (1) “Borrower” has the same meaning as defined in Section
11 2929.5.

12 (2) “Mortgage servicer” includes the current mortgage servicer
13 and any prior mortgage servicers.

14 (3) “Subordinate mortgage” means a security instrument in
15 residential real property, including a deed of trust and any security
16 instrument that functions in the form of a mortgage, that was, at
17 the time it was recorded, subordinate to another security interest
18 encumbering the same residential real property.

19 (b) The following conduct constitutes an unlawful practice in
20 connection with a subordinate mortgage:

21 (1) The mortgage servicer did not provide the borrower with
22 any written communication regarding the loan secured by the
23 mortgage for at least three years.

24 (2) The mortgage servicer failed to provide a transfer of loan
25 servicing notice to the borrower when required to provide that
26 notice by law, including, but not limited to, the federal Real Estate
27 Settlement Procedures Act, as amended (12 U.S.C. Sec. 2601 et
28 seq.), and investor or guarantor requirements.

29 (3) The mortgage servicer failed to provide a transfer of loan
30 ownership notice to the borrower when required to provide that
31 notice by law, including, but not limited to, the federal Truth in
32 Lending Act, as amended (15 U.S.C. 1601, et seq.), and investor
33 or guarantor requirements.

34 (4) The mortgage servicer conducted or threatened to conduct
35 a foreclosure sale after providing a form to the borrower indicating
36 that the debt had been written off or discharged, including, but not
37 limited to, an Internal Revenue Service Form 1099.

38 (5) The mortgage servicer conducted or threatened to conduct
39 a foreclosure sale after the applicable statute of limitations expired.

1 (6) The mortgage servicer failed to provide a periodic account
2 statement to the borrower when required to provide that statement
3 by law, including, but not limited to, the federal Truth in Lending
4 Act, as amended (15 U.S.C. 1601, et seq.), and investor or
5 guarantor requirements.

6 (c) A mortgage servicer, mortgagee, trustee, beneficiary, or
7 authorized agent shall not conduct or threaten to conduct a
8 nonjudicial foreclosure until the mortgage servicer, mortgagee,
9 trustee, beneficiary, or authorized agent does both of the following:

10 (1) Simultaneously with the recording of a notice of default,
11 records or causes to be recorded, in the office of the county recorder
12 of the county that the encumbered property is located, a
13 certification under penalty of perjury that either:

14 (A) The mortgage servicer did not engage in an unlawful
15 practice as described in subdivision (b).

16 (B) The mortgage servicer lists all instances when it committed
17 an unlawful practice as described in subdivision (b).

18 (2) Simultaneously with the service of a recorded notice of
19 default, sends both of the following documents to the borrower by
20 United States certified mail with return receipt requested to the
21 last known mailing address of the borrower:

22 (A) A notice providing that if the borrower believes the
23 mortgage servicer engaged in an unlawful practice described in
24 subdivision (b) or misrepresented its compliance history, the
25 borrower may petition the court for relief before the foreclosure
26 sale.

27 (B) A copy of the certification recorded pursuant to paragraph
28 (1).

29 (d) Upon a borrower's petition to the court for relief before the
30 foreclosure sale, the court shall enjoin a proposed foreclosure sale
31 pursuant to a power of sale in a subordinate mortgage until a final
32 determination on the petition has been made.

33 (e) It shall be an affirmative defense in a judicial foreclosure
34 proceeding if the court finds the mortgage servicer engaged in any
35 of the unlawful practices specified in subdivision (b).

36 (f) The court may provide equitable remedies that the court
37 deems appropriate, depending on the extent and severity of the
38 mortgage servicer's violations. The equitable remedies may
39 include, but are not limited to, striking all or a portion of the arrear

1 claim, barring foreclosure, or permitting foreclosure subject to
2 future compliance and corrected arrearage claim.

3 (g) A borrower may also petition the court to set a nonjudicial
4 foreclosure sale aside when a certification required by subdivision
5 (c) was never recorded or when a certification recorded pursuant
6 to subdivision (c) indicates that the mortgage servicer engaged in
7 an unlawful practice described in subdivision (b) or misrepresented
8 its compliance history.

9 (h) Any failure to comply with the provisions of this section
10 shall not affect the validity of a trustee's sale or a sale in favor of
11 a bona fide purchaser.

12 SEC. 3. Section 5850 of the Civil Code is amended to read:

13 5850. (a) If an association adopts or has adopted a policy
14 imposing any monetary penalty, including any fee, on any
15 association member for a violation of the governing documents,
16 including any monetary penalty relating to the activities of a guest
17 or tenant of the member, the board shall adopt and distribute to
18 each member, in the annual policy statement prepared pursuant to
19 Section 5310, a schedule of the monetary penalties that may be
20 assessed for those violations, which shall be in accordance with
21 authorization for member discipline contained in the governing
22 documents. Monetary penalties shall be reasonable.

23 (b) Any new or revised monetary penalty that is adopted after
24 complying with subdivision (a) may be included in a supplement
25 that is delivered to the members individually, pursuant to Section
26 4040.

27 (c) A monetary penalty for a violation of the governing
28 documents shall not exceed the lesser of the following:

29 (1) The monetary penalty stated in the schedule of monetary
30 penalties or supplement that is in effect at the time of the violation.

31 (2) One hundred dollars (\$100) per violation.

32 (d) (1) Notwithstanding subdivision (c), the board may impose
33 a penalty stated in the schedule of monetary penalties or
34 supplement that is in effect at the time of the violation that is
35 greater than one hundred dollars (\$100) per violation, if the
36 violation may result in an adverse health or safety impact on the
37 common area or another association member's property.

38 (2) Before imposing a penalty on a violation pursuant to this
39 subdivision, the board shall make a written finding specifying the

1 adverse health or safety impact in a board meeting open to the
2 members.

3 (e) A late charge or interest shall not be charged to a member
4 for a monetary penalty.

5 (f) An association shall provide a copy of the most recently
6 distributed schedule of monetary penalties, along with any
7 applicable supplements to that schedule, to any member upon
8 request.

9 SEC. 4. Section 5855 of the Civil Code is amended to read:

10 5855. (a) When the board is to meet to consider or impose
11 discipline upon a member, or to impose a monetary charge as a
12 means of reimbursing the association for costs incurred by the
13 association in the repair of damage to the common area and
14 facilities caused by a member or the member's guest or tenant, the
15 board shall notify the member in writing, by either personal
16 delivery or individual delivery pursuant to Section 4040, at least
17 10 days prior to the meeting.

18 (b) The notification shall contain, at a minimum, the date, time,
19 and place of the meeting, the nature of the alleged violation for
20 which a member may be disciplined or the nature of the damage
21 to the common area and facilities for which a monetary charge
22 may be imposed, and a statement that the member has a right to
23 attend and may address the board at the meeting. The board shall
24 meet in executive session if requested by the member.

25 (c) A member shall have the opportunity to cure the violation
26 prior to the meeting. The board shall not impose discipline in either
27 of the following circumstances:

28 (1) The member cures the violation prior to the meeting.

29 (2) If curing the violation would take longer than the time
30 between the notice provided pursuant to subdivision (a) and the
31 meeting, the member provides financial commitment to cure the
32 violation.

33 (d) If the board and the member are not in agreement after the
34 meeting, a member shall have the opportunity to request internal
35 dispute resolution pursuant to Section 5910.

36 (e) If the board and the member are in agreement after the
37 meeting, the board shall draft a written resolution. The written
38 resolution, signed by the board and the member of the dispute
39 pursuant to procedures not in conflict with the law or governing
40 documents, binds the association and is judicially enforceable.

(f) If the board imposes discipline on a member or imposes a monetary charge on the member for damage to the common area and facilities, the board shall provide the member with a written notification of the decision, by either personal delivery or individual delivery pursuant to Section 4040, within 14 days following the action.

(g) A disciplinary action or the imposition of a monetary charge for damage to the common area shall not be effective against a member unless the board fulfills the requirements of this section.

SEC. 5. Section 8590.15.5 is added to the Government Code, to read:

8590.15.5. Upon appropriation by the Legislature, pursuant to this article, CRMP shall fund the seismic retrofitting of affordable multifamily housing.

(a) Funding provided under this section shall be limited to affordable multifamily housing and consistent with this article.

(b) CRMP shall prioritize affordable multifamily housing serving lower income households.

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

(1) “Lower income households” has the same meaning as the term is defined in Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households.

(2) “Moderate-income households” has the same meaning as the term is defined in Section 50053 of the Health and Safety Code.

SEC. 6. Section 12531 of the Government Code is amended to read:

12531. (a) The Legislature finds and declares that California, represented by the California Attorney General, entered a national multistate settlement with the country’s five largest loan servicers. This agreement, the National Mortgage Settlement stemmed from successful resolution of federal court action (Consent Judgment, United States v. Bank of America (No. 1:12-cv-00361, Banzr. D.C. Apr. 4, 2012)). The National Mortgage Settlement is broad ranging, with California’s share of this settlement estimated to be up to eighteen billion dollars (\$18,000,000,000). Of this amount, approximately four hundred ten million dollars (\$410,000,000) will come directly to the state in costs, fees, and penalty payments.

1 (b) There is hereby created in the State Treasury the National
2 Mortgage Special Deposit Fund. Notwithstanding Section 13340,
3 all moneys in the fund are hereby continuously appropriated, and
4 shall be allocated by the Department of Finance.

5 (c) Direct payments made to the State of California as civil
6 penalties pursuant to the National Mortgage Settlement shall be
7 deposited in the Unfair Competition Law Fund as required by the
8 settlement.

9 (d) Direct payments made to the State of California pursuant to
10 the National Mortgage Settlement, except for those payments made
11 pursuant to subdivision (c), shall be deposited in the National
12 Mortgage Special Deposit Fund.

13 (e) (1) The funds in the National Mortgage Special Deposit
14 Fund shall be allocated as follows:

15 (A) Three hundred million dollars (\$300,000,000) to be
16 administered by the California Housing Finance Agency for all of
17 the following purposes:

18 (i) Providing housing counseling services that are certified by
19 the federal Department of Housing and Urban Development to
20 homeowners, former homeowners, or renters.

21 (ii) Providing legal services for home ownership preservation,
22 including, but not limited to, foreclosure prevention.

23 (iii) (I) Providing mortgage assistance to qualified California
24 households.

25 (II) Mortgage assistance to borrowers who own residential
26 properties with four or fewer units who face foreclosure are eligible
27 under this clause.

28 (B) Thirty-one million dollars (\$31,000,000) to the Judicial
29 Council for distribution through the State Bar to qualified legal
30 services projects and support centers to provide eviction defense
31 or other tenant defense assistance in landlord-tenant disputes,
32 including preeviction and eviction legal services, counseling,
33 advice and consultation, mediation, training, renter education, and
34 representation, and legal services to improve habitability, increase
35 affordable housing, ensure receipt of eligible income or benefits
36 to improve housing stability, and prevent homelessness. These
37 funds shall be allocated as follows:

38 (i) Seventy-five percent shall be distributed to qualified legal
39 services projects and support centers that currently provide eviction

1 defense or other tenant defense assistance in landlord-tenant
2 disputes as set forth in this subparagraph.

3 (I) To receive funds, a program shall be eligible for 2020 Interest
4 on Lawyer Trust Fund Account (IOLTA) funding. Each eligible
5 program shall receive a percentage equal to that legal services
6 project's 2020 IOLTA allocation divided by the total 2020 IOLTA
7 allocation for all legal services projects eligible for the funding.

8 (II) To ensure meaningful funding, a minimum amount of fifty
9 thousand dollars (\$50,000) shall be allocated to an eligible program
10 unless the program requests a lesser amount, in which case any
11 funds that would have otherwise been allocated to the program
12 shall be distributed proportionally to the other qualified legal
13 services projects.

14 (III) These funds shall be distributed as soon as practicable and
15 shall not supplant existing resources.

16 (ii) Twenty-five percent shall be allocated through a competitive
17 grant process developed by the Legal Services Trust Fund
18 Commission of the State Bar to award grants to qualified legal
19 service projects and support centers.

20 (I) The grant process shall ensure that a qualified legal service
21 project or support center to receive funding demonstrate that funds
22 received will be not used to supplant existing resources and will
23 be used to provide services to tenants not otherwise served by that
24 qualified legal service project or support center.

25 (II) The commission shall determine grant awards, and
26 preference shall be given to qualified legal aid agencies that serve
27 rural or underserved communities that serve clients regardless of
28 immigration or citizenship status.

29 (III) Any funds not allocated pursuant to this competitive grant
30 process shall be distributed pursuant to clause (i).

31 (2) No more than 5 percent of the allocations in subparagraphs
32 (A) and (B) of paragraph (1) shall be spent for the administration
33 of those services.

34 (f) Notwithstanding any other law, the Controller may use the
35 funds in the National Mortgage Special Deposit Fund for cashflow
36 loans to the General Fund as provided in Sections 16310 and
37 16381.

38 SEC. 7. Section 54221 of the Government Code is amended
39 to read:

54221. As used in this article, the following definitions shall apply:

(a) (1) “Local agency” means every city, whether organized under general law or by charter, county, city and county, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.

(2) The Legislature finds and declares that the term “district” as used in this article includes all districts within the state, including, but not limited to, all special districts, sewer, water, utility, and local and regional park districts, and any other political subdivision of this state that is a district, and therefore the changes in paragraph (1) made by the act adding this paragraph that specify that the provisions of this article apply to all districts, including school, sewer, water, utility, and local and regional park districts of any kind or class, are declaratory of, and not a change in, existing law.

(b) (1) “Surplus land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use. Land shall be declared either “surplus land” or “exempt surplus land,” as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency’s policies or procedures. A local agency, on an annual basis, may declare multiple parcels as “surplus land” or “exempt surplus land.”

(2) “Surplus land” includes land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code and land that has been designated in the long-range property management plan approved by the Department of Finance pursuant to Section 34191.5 of the Health and Safety Code, either for sale or for future development, but does not include any specific disposal of land to an identified entity described in the plan.

(3) Nothing in this article prevents a local agency from obtaining fair market value for the disposition of surplus land consistent with Section 54226.

(4) Notwithstanding paragraph (1), a local agency is not required to make a declaration at a public meeting for land that is “exempt surplus land” pursuant to subparagraph (A), (B), (E), (K), (L), or (Q) of paragraph (1) of subdivision (f) if the local agency identifies the land in a notice that is published and available for public comment, including notice to the entities identified in subdivision (a) of Section 54222, at least 30 days before the exemption takes effect.

(c) (1) Except as provided in paragraph (2), “agency’s use” shall include, but not be limited to, land that is being used, or is planned to be used pursuant to a written plan adopted by the local agency’s governing board, for agency work or operations, including, but not limited to, utility sites, property owned by a port that is used to support logistics uses, watershed property, land being used for conservation purposes, land for demonstration, exhibition, or educational purposes related to greenhouse gas emissions, sites for broadband equipment or wireless facilities, and buffer sites near sensitive governmental uses, including, but not limited to, waste disposal sites, and wastewater treatment plants. “Agency’s use” by a local agency that is a district shall also include land disposed for uses described in subparagraph (B) of paragraph (2).

(2) (A) “Agency’s use” shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development. Property disposed of for the sole purpose of investment or generation of revenue shall not be considered necessary for the agency’s use.

(B) In the case of a local agency that is a district, excepting those whose primary mission or purpose is to supply the public with a transportation system, “agency’s use” may include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development or be for the sole purpose of investment or generation of revenue if the agency’s governing body takes action in a public meeting declaring that the use of the site will do one of the following:

(i) Directly further the express purpose of agency work or operations.

(ii) Be expressly authorized by a statute governing the local agency, provided the district complies with Section 54233.5 if applicable.

1 (d) (1) “Dispose” means either of the following:

2 (A) The sale of the surplus land.

3 (B) The entering of a lease for surplus land, which is for a term
4 longer than 15 years, inclusive of any extension or renewal options
5 included in the terms of the initial lease, entered into on or after
6 January 1, 2024.

7 (2) “Dispose” shall not mean either of the following:

8 (A) The entering of a lease for surplus land, which is for a term
9 of 15 years or less, inclusive of any extension or renewal options
10 included in the terms of the initial lease.

11 (B) The entering of a lease for surplus land on which no
12 development or demolition will occur, regardless of the term of
13 the lease.

14 (e) “Open-space purposes” means the use of land for public
15 recreation, enjoyment of scenic beauty, or conservation or use of
16 natural resources.

17 (f) (1) Except as provided in paragraph (2), “exempt surplus
18 land” means any of the following:

19 (A) Surplus land that is transferred pursuant to Section 25539.4
20 or 37364.

21 (B) Surplus land that is less than one-half acre in area and is
22 not contiguous to land owned by a state or local agency that is
23 used for open-space or low- and moderate-income housing
24 purposes.

25 (C) Surplus land that a local agency is exchanging for another
26 property necessary for the agency’s use. “Property” may include
27 easements necessary for the agency’s use.

28 (D) Surplus land that a local agency is transferring to another
29 local, state, or federal agency, or to a third-party intermediary for
30 future dedication for the receiving agency’s use, or to a federally
31 recognized California Indian tribe. If the surplus land is transferred
32 to a third-party intermediary, the receiving agency’s use must be
33 contained in a legally binding agreement at the time of transfer to
34 the third-party intermediary.

35 (E) Surplus land that is a former street, right-of-way, or
36 easement, and is conveyed to an owner of an adjacent property.

37 (F) (i) Surplus land that is to be developed for a housing
38 development, which may have ancillary commercial ground floor
39 uses, that restricts 100 percent of the residential units to persons
40 and families of low or moderate income, with at least 75 percent

1 of the residential units restricted to lower income households, as
2 defined in Section 50079.5 of the Health and Safety Code, with
3 an affordable sales price or an affordable rent, as defined in Section
4 50052.5 or 50053 of the Health and Safety Code, for 55 years for
5 rental housing, 45 years for ownership housing, and 50 years for
6 rental or ownership housing located on tribal trust lands, unless a
7 local ordinance or a federal, state, or local grant, tax credit, or other
8 project financing requires a longer period of affordability, and in
9 no event shall the maximum affordable sales price or rent level be
10 higher than 20 percent below the median market rents or sales
11 prices for the neighborhood in which the site is located.

12 (ii) The requirements of clause (i) shall be contained in a
13 covenant or restriction recorded against the surplus land at the time
14 of sale that shall run with the land and be enforceable against any
15 owner who violates the covenant or restriction and each successor
16 in interest who continues the violation.

17 (G) (i) Surplus land that is subject to a local agency's open,
18 competitive solicitation or that is put to open, competitive bid by
19 a local agency, provided that all entities identified in subdivision
20 (a) of Section 54222 will be invited to participate in the process,
21 for a housing or a mixed-use development that is more than one
22 acre and less than 10 acres in area, consisting of either a single
23 parcel, or two or more adjacent or non-adjacent parcels combined,
24 that includes not less than 300 residential units, and that restricts
25 at least 25 percent of the residential units to lower income
26 households, as defined in Section 50079.5 of the Health and Safety
27 Code, with an affordable sales price or an affordable rent, as
28 defined in Sections 50052.5 and 50053 of the Health and Safety
29 Code, for 55 years for rental housing, 45 years for ownership
30 housing, and 50 years for rental or ownership housing located on
31 tribal trust lands, unless a local ordinance or a federal, state, or
32 local grant, tax credit, or other project financing requires a longer
33 period of affordability.

34 (ii) The requirements of clause (i) shall be contained in a
35 covenant or restriction recorded against the surplus land at the time
36 of sale that shall run with the land and be enforceable against any
37 owner who violates the covenant or restriction and each successor
38 in interest who continues the violation.

39 (H) (i) Surplus land totaling 10 or more acres, consisting of
40 either a single parcel, or two or more adjacent or non-adjacent

1 parcels combined for disposition to one or more buyers pursuant
2 to a plan or ordinance adopted by the legislative body of the local
3 agency, or a state statute. That surplus land shall be subject to a
4 local agency's open, competitive solicitation process or put out to
5 open, competitive bid by a local agency, provided that all entities
6 identified in subdivision (a) of Section 54222 will be invited to
7 participate in the process for a housing or mixed-use development.

8 (ii) The aggregate development shall include the greater of the
9 following:

10 (I) Not less than 300 residential units.

11 (II) A number of residential units equal to 10 times the number
12 of acres of the surplus land or 10,000 residential units, whichever
13 is less.

14 (iii) At least 25 percent of the residential units shall be restricted
15 to lower income households, as defined in Section 50079.5 of the
16 Health and Safety Code, with an affordable sales price or an
17 affordable rent pursuant to Sections 50052.5 and 50053 of the
18 Health and Safety Code, for a minimum of 55 years for rental
19 housing, 45 years for ownership housing, and 50 years for rental
20 or ownership housing located on tribal trust lands, unless a local
21 ordinance or a federal, state, or local grant, tax credit, or other
22 project financing requires a longer period of affordability.

23 (iv) If nonresidential development is included in the
24 development pursuant to this subparagraph, at least 25 percent of
25 the total planned units affordable to lower income households shall
26 be made available for lease or sale and permitted for use and
27 occupancy before or at the same time with every 25 percent of
28 nonresidential development made available for lease or sale and
29 permitted for use and occupancy.

30 (v) A violation of this subparagraph is subject to the penalties
31 described in Section 54230.5. Those penalties are in addition to
32 any remedy a court may order for violation of this subparagraph.
33 A local agency shall only dispose of land pursuant to this
34 subparagraph through a disposition and development agreement
35 that includes an indemnification clause that provides that if an
36 action occurs after disposition violates this subparagraph, the
37 person or entity that acquired the property shall be liable for the
38 penalties.

39 (vi) The requirements of clauses (i) to (v), inclusive, shall be
40 contained in a covenant or restriction recorded against the surplus

land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(I) A mixed-use development, which may include more than one publicly owned parcel, that meets all of the following conditions:

(i) The development restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(ii) At least 50 percent of the square footage of the new construction associated with the development is designated for residential use.

(iii) The development is not located in an urbanized area, as defined in Section 21094.5 of the Public Resources Code.

(J) (i) Surplus land that is subject to a valid legal restriction that is not imposed by the local agency and that makes housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site. A declaration of exemption pursuant to this subparagraph shall be supported by documentary evidence establishing the valid legal restriction. For the purposes of this section, “documentary evidence” includes, but is not limited to, a contract, agreement, deed restriction, statute, regulation, or other writing that documents the valid legal restriction.

(ii) Valid legal restrictions include, but are not limited to, all of the following:

(I) Existing constraints under ownership rights or contractual rights or obligations that prevent the use of the property for housing, if the rights or obligations were agreed to prior to September 30, 2019.

(II) Conservation or other easements or encumbrances that prevent housing development.

1 (III) Existing leases, or other contractual obligations or
2 restrictions, if the terms were agreed to prior to September 30,
3 2019.

4 (IV) Restrictions imposed by the source of funding that a local
5 agency used to purchase a property, provided that both of the
6 following requirements are met:

7 (ia) The restrictions limit the use of those funds to purposes
8 other than housing.

9 (ib) The proposed disposal of surplus land meets a use consistent
10 with that purpose.

11 (iii) Valid legal restrictions that would make housing prohibited
12 do not include either of the following:

13 (I) An existing nonresidential land use designation on the surplus
14 land.

15 (II) Covenants, restrictions, or other conditions on the property
16 rendered void and unenforceable by any other law, including, but
17 not limited to, Section 714.6 of the Civil Code.

18 (iv) Feasible methods to mitigate or avoid a valid legal
19 restriction on the site do not include a requirement that the local
20 agency acquire additional property rights or property interests
21 belonging to third parties.

22 (K) Surplus land that was granted by the state in trust to a local
23 agency or that was acquired by the local agency for trust purposes
24 by purchase or exchange, and for which disposal of the land is
25 authorized or required subject to conditions established by statute.

26 (L) Land that is subject to either of the following, unless
27 compliance with this article is expressly required:

28 (i) Section 17515, 81192, 81397, 81399, 81420, or 81422 of
29 the Education Code.

30 (ii) Part 14 (commencing with Section 53570) of Division 31
31 of the Health and Safety Code.

32 (M) Surplus land that is a former military base that was
33 conveyed by the federal government to a local agency, and is
34 subject to Article 8 (commencing with Section 33492.125) of
35 Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code,
36 provided that all of the following conditions are met:

37 (i) The former military base has an aggregate area greater than
38 five acres, is expected to include a mix of residential and
39 nonresidential uses, and is expected to include no fewer than 1,400

1 residential units upon completion of development or redevelopment
2 of the former military base.

3 (ii) The affordability requirements for residential units shall be
4 governed by a settlement agreement entered into prior to September
5 1, 2020. Furthermore, at least 25 percent of the initial 1,400
6 residential units developed shall be restricted to lower income
7 households, as defined in Section 50079.5 of the Health and Safety
8 Code, with an affordable sales price or an affordable rent, as
9 defined in Sections 50052.5 and 50053 of the Health and Safety
10 Code, for 55 years for rental housing, 45 years for ownership
11 housing, and 50 years for rental or ownership housing located on
12 tribal trust lands, unless a local ordinance or a federal, state, or
13 local grant, tax credit, or other project financing requires a longer
14 period of affordability.

15 (iii) Before disposition of the surplus land, the agency adopts
16 written findings that the land is exempt surplus land pursuant to
17 this subparagraph.

18 (iv) Before disposition of the surplus land, the recipient has
19 negotiated a project labor agreement consistent with the local
20 agency's project stabilization agreement resolution, as adopted on
21 February 2, 2021, and any succeeding ordinance, resolution, or
22 policy, regardless of the length of the agreement between the local
23 agency and the recipient.

24 (v) The agency includes in the annual report required by
25 paragraph (2) of subdivision (a) of Section 65400 the status of
26 development of residential units on the former military base,
27 including the total number of residential units that have been
28 permitted and what percentage of those residential units are
29 restricted for persons and families of low or moderate income, or
30 lower income households, as defined in Section 50079.5 of the
31 Health and Safety Code.

32 A violation of this subparagraph is subject to the penalties
33 described in Section 54230.5. Those penalties are in addition to
34 any remedy a court may order for violation of this subparagraph
35 or the settlement agreement.

36 (N) Real property that is used by a district for an agency's use
37 expressly authorized in subdivision (c).

38 (O) Land that has been transferred before June 30, 2019, by the
39 state to a local agency pursuant to Section 32667 of the Streets
40 and Highways Code and has a minimum planned residential density

1 of at least 100 dwelling units per acre, and includes 100 or more
2 residential units that are restricted to persons and families of low
3 or moderate income, with an affordable sales price or an affordable
4 rent, as defined in Sections 50052.5 and 50053 of the Health and
5 Safety Code, for 55 years for rental housing, 45 years for ownership
6 housing, and 50 years for rental or ownership housing located on
7 tribal trust lands, unless a local ordinance or a federal, state, or
8 local grant, tax credit, or other project financing requires a longer
9 period of affordability. For purposes of this subparagraph, not
10 more than 20 percent of the affordable units may be restricted to
11 persons and families of moderate income and at least 80 percent
12 of the affordable units must be restricted to lower income
13 households as defined in Section 50079.5 of the Health and Safety
14 Code.

15 (P) (i) Land that meets the following conditions:

16 (I) Land that is subject to a sectional planning area document
17 that meets both of the following:

18 (ia) The sectional planning area was adopted prior to January
19 1, 2019.

20 (ib) The sectional planning area document is consistent with
21 county and city general plans applicable to the land.

22 (II) The land identified in the adopted sectional planning area
23 document was dedicated prior to January 1, 2019.

24 (III) On January 1, 2019, the parcels on the land met at least
25 one of the following conditions:

26 (ia) The land was subject to an irrevocable offer of dedication
27 of fee interest requiring the land to be used for a specified purpose.

28 (ib) The land was acquired through a land exchange subject to
29 a land offer agreement that grants the land's original owner the
30 right to repurchase the land acquired by the local agency pursuant
31 to the agreement if the land will not be developed in a manner
32 consistent with the agreement.

33 (ic) The land was subject to a grant deed specifying that the
34 property shall be used for educational uses and limiting other types
35 of uses allowed on the property.

36 (IV) At least 25 percent of the units are dedicated to lower
37 income households, as defined in Section 50079.5 of the Health
38 and Safety Code, at an affordable rent, as defined by Section 50053
39 of the Health and Safety Code, or an affordable housing cost, as
40 defined by Section 50052.5 of the Health and Safety Code, and

1 subject to a recorded deed restriction for a period of 55 years for
2 rental units and 45 years for owner-occupied units, unless a local
3 ordinance or a federal, state, or local grant, tax credit, or other
4 project financing requires a longer period of affordability.

5 (V) The land is developed at an average density of at least 10
6 units per acre, calculated with respect to the entire sectional
7 planning area.

8 (VI) No more than 25 percent of the nonresidential square
9 footage identified in the sectional planning area document receives
10 its first certificate of occupancy before at least 25 percent of the
11 residential square footage identified in the sectional planning area
12 document has received its first certificate of occupancy.

13 (VII) No more than 50 percent of the nonresidential square
14 footage identified in the sectional planning area document receives
15 its first certificate of occupancy before at least 50 percent of the
16 residential square footage identified in the sectional planning area
17 document has received its first certificate of occupancy.

18 (VIII) No more than 75 percent of the nonresidential square
19 footage identified in the sectional planning area document shall
20 receive its first certificate of occupancy before at least 75 percent
21 of the residential square footage identified in the sectional planning
22 area document has received its first certificate of occupancy.

23 (ii) The local agency includes in the annual report required by
24 paragraph (2) of subdivision (a) of Section 65400 the status of
25 development, including the total square footage of the residential
26 and nonresidential development, the number of residential units
27 that have been permitted, and what percentage of those residential
28 units are restricted for persons and families of low or moderate
29 income, or lower income households, as defined in Section 50079.5
30 of the Health and Safety Code.

31 (iii) The Department of Housing and Community Development
32 may request additional information from the agency regarding
33 land disposed of pursuant to this subparagraph.

34 (iv) At least 30 days prior to disposing of land declared “exempt
35 surplus land,” a local agency shall provide the Department of
36 Housing and Community Development a written notification of
37 its declaration and findings in a form prescribed by the Department
38 of Housing and Community Development. Within 30 days of
39 receipt of the written notification and findings, the department
40 shall notify the local agency if the department has determined that

1 the local agency is in violation of this article. A local agency that
2 fails to submit the written notification and findings shall be liable
3 for a civil penalty pursuant to this subparagraph. A local agency
4 shall not be liable for the civil penalty if the Department of Housing
5 and Community Development does not notify the agency that the
6 agency is in violation of this article within 30 days of receiving
7 the written notification and findings. Once the department
8 determines that the declarations and findings comply with
9 subclauses (I) to (IV), inclusive, of clause (i), the local agency
10 may proceed with disposal of land pursuant to this subparagraph.
11 This clause is declaratory of, and not a change in, existing law.

12 (v) If the local agency disposes of land in violation of this
13 subparagraph, the local agency shall be liable for a civil penalty
14 calculated as follows:

15 (I) For a first violation, 30 percent of the greater of the final
16 sale price or the fair market value of the land at the time of
17 disposition.

18 (II) For a second or subsequent violation, 50 percent of the
19 greater of the final sale price or the fair market value of the land
20 at the time of disposition.

21 (III) For purposes of this subparagraph, fair market value shall
22 be determined by an independent appraisal of the land.

23 (IV) An action to enforce this subparagraph may be brought by
24 any of the following:

25 (ia) An entity identified in subdivisions (a) to (e), inclusive, of
26 Section 54222.

27 (ib) A person who would have been eligible to apply for
28 residency in affordable housing had the agency not violated this
29 section.

30 (ic) A housing organization, as that term is defined in Section
31 65589.5.

32 (id) A beneficially interested person or entity.

33 (ie) The Department of Housing and Community Development.

34 (V) A penalty assessed pursuant to this subparagraph shall,
35 except as otherwise provided, be deposited into a local housing
36 trust fund. The local agency may elect to instead deposit the penalty
37 moneys into the Building Homes and Jobs Trust Fund or the
38 Housing Rehabilitation Loan Fund. Penalties shall not be paid out
39 of funds already dedicated to affordable housing, including, but
40 not limited to, Low and Moderate Income Housing Asset Funds,

1 funds dedicated to housing for very low, low-, and
2 moderate-income households, and federal HOME Investment
3 Partnerships Program and Community Development Block Grant
4 Program funds. The local agency shall commit and expend the
5 penalty moneys deposited into the local housing trust fund within
6 five years of deposit for the sole purpose of financing newly
7 constructed housing units that are affordable to extremely low,
8 very low, or low-income households.

9 (VI) Five years after deposit of the penalty moneys into the
10 local housing trust fund, if the funds have not been expended, the
11 funds shall revert to the state and be deposited in the Building
12 Homes and Jobs Trust Fund or the Housing Rehabilitation Loan
13 Fund for the sole purpose of financing newly constructed housing
14 units located in the same jurisdiction as the surplus land and that
15 are affordable to extremely low, very low, or low-income
16 households. Expenditure of any penalty moneys deposited into the
17 Building Homes and Jobs Trust Fund or the Housing Rehabilitation
18 Loan Fund pursuant to this subdivision shall be subject to
19 appropriation by the Legislature.

20 (vi) For purposes of this subparagraph, the following definitions
21 apply:

22 (I) “Sectional planning area” means an area composed of
23 identifiable planning units, within which common services and
24 facilities, a strong internal unity, and an integrated pattern of land
25 use, circulation, and townscape planning are readily achievable.

26 (II) “Sectional planning area document” means a document or
27 plan that sets forth, at minimum, a site utilization plan of the
28 sectional planning area and development standards for each land
29 use area and designation.

30 (vii) This subparagraph shall become inoperative on January 1,
31 2034.

32 (Q) Land that is owned by a California public-use airport on
33 which residential uses are prohibited pursuant to Federal Aviation
34 Administration Order 5190.6B, Airport Compliance Program,
35 Chapter 20 -- Compatible Land Use and Airspace Protection.

36 (R) Land that is transferred to a community land trust, and all
37 of the following conditions are met:

38 (i) The property is being or will be developed or rehabilitated
39 as any of the following:

40 (I) An owner-occupied single-family dwelling.

1 (II) An owner-occupied unit in a multifamily dwelling.

2 (III) A member-occupied unit in a limited equity housing
3 cooperative.

4 (IV) A rental housing development.

5 (ii) Improvements on the property are or will be available for
6 use and ownership or for rent by qualified persons, as defined in
7 paragraph (6) of subdivision (c) of Section 214.18 of the Revenue
8 and Taxation Code.

9 (iii) (I) A deed restriction or other instrument, requiring a
10 contract or contracts serving as an enforceable restriction on the
11 sale or resale value of owner-occupied units or on the affordability
12 of rental units is recorded on or before the lien date following the
13 acquisition of the property by the community land trust.

14 (II) For the purpose of this clause, the following definitions
15 apply:

16 (ia) “A contract or contracts serving as an enforceable restriction
17 on the sale or resale value of owner-occupied units” means a
18 contract described in paragraph (11) of subdivision (a) of Section
19 402.1 of the Revenue and Taxation Code.

20 (ib) “A contract or contracts serving as an enforceable restriction
21 on the affordability of rental units” means an enforceable and
22 verifiable agreement with a public agency, a recorded deed
23 restriction, or other legal document described in subparagraph (A)
24 of paragraph (2) of subdivision (g) of Section 214 of the Revenue
25 and Taxation Code.

26 (iv) A copy of the deed restriction or other instrument shall be
27 provided to the assessor.

28 (S) (i) For local agencies whose primary mission or purpose is
29 to supply the public with a transportation system, surplus land that
30 is developed for commercial or industrial uses or activities,
31 including nongovernmental retail, entertainment, or office
32 development or for the sole purpose of investment or generation
33 of revenue, if the agency meets all of the following conditions:

34 (I) The agency has an adopted land use plan or policy that
35 designates at least 50 percent of the gross acreage covered by the
36 adopted land use plan or policy for residential purposes. The
37 adopted land use plan or policy shall also require the development
38 of at least 300 residential units, or at least 10 residential units per
39 gross acre, averaged across all land covered by the land use plan
40 or policy, whichever is greater.

(II) The agency has an adopted land use plan or policy that requires at least 25 percent of all residential units to be developed on the parcels covered by the adopted land use plan or policy made available to lower income households, as defined in Section 50079 of the Health and Safety Code, at an affordable sales price or rented at an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing and 45 years for ownership housing, unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability. These terms shall be included in the land use plan or policy and dictate that they will be contained in a covenant or restriction recorded against the surplus land at the time of disposition that shall run with the land and be enforceable against any owner or lessee who violates the covenant or restriction and each successor in interest who continues the violation.

(III) Land disposed of for residential purposes shall issue a competitive request for proposals subject to the local agency's open, competitive solicitation process or put out to open, competitive bid by the local agency, provided that all entities identified in subdivision (a) of Section 54222 are invited to participate.

(IV) Prior to entering into an agreement to dispose of a parcel for nonresidential development on land designated for the purposes authorized pursuant to this subparagraph in an agency's adopted land use plan or policy, the agency, since January 1, 2020, must have entered into an agreement to dispose of a minimum of 25 percent of the land designated for affordable housing pursuant to subclause (II).

(ii) The agency may exempt at one time all parcels covered by the adopted land use plan or policy pursuant to this subparagraph.

(2) Notwithstanding paragraph (1), a written notice of the availability of surplus land for open-space purposes shall be sent to the entities described in subdivision (b) of Section 54222 before disposing of the surplus land, provided the land does not meet the criteria in subparagraph (H) of paragraph (1), if the land is any of the following:

(A) Within a coastal zone.

(B) Adjacent to a historical unit of the State Parks System.

(C) Listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(D) Within the Lake Tahoe region as defined in Section 66905.5.

(g) “Persons and families of low or moderate income” has the same meaning as provided in Section 50093 of the Health and Safety Code.

SEC. 8. Section 65400 of the Government Code is amended to read:

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) (i) (I) The progress in meeting its share of regional housing needs determined pursuant to Section 65584, including the need for extremely low income households, as determined pursuant to Section 65583, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

(II) The annual report shall include the progress in meeting the city’s or county’s progress in meeting its share of regional housing need, as described in subclause (I), for the sixth and previous revisions of the housing element.

(ii) The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions to implement

1 this article. Any standards, forms, or definitions adopted to
2 implement this article shall not be subject to Chapter 3.5
3 (commencing with Section 11340) of Part 1 of Division 3 of Title
4 2. Before and after adoption of the forms, the housing element
5 portion of the annual report shall include a section that describes
6 the actions taken by the local government towards completion of
7 the programs and status of the local government's compliance with
8 the deadlines in its housing element. The report shall be considered
9 at an annual public meeting before the legislative body where
10 members of the public shall be allowed to provide oral testimony
11 and written comments.

12 (iii) The report may include the number of units that have been
13 completed pursuant to subdivision (c) of Section 65583.1. For
14 purposes of this paragraph, committed assistance may be executed
15 throughout the planning period, and the program under paragraph
16 (1) of subdivision (c) of Section 65583.1 shall not be required.
17 The report shall document how the units meet the standards set
18 forth in that subdivision.

19 (iv) The planning agency shall include the number of units in
20 a student housing development for lower income students for which
21 the developer of the student housing development was granted a
22 density bonus pursuant to subparagraph (F) of paragraph (1) of
23 subdivision (b) of Section 65915.

24 (C) The number of housing development applications received
25 in the prior year, including whether each housing development
26 application is subject to a ministerial or discretionary approval
27 process.

28 (D) The number of units included in all development
29 applications in the prior year.

30 (E) (i) The number of units approved and disapproved in the
31 prior year, which shall include all of the following subcategories:

32 (I) The number of units located within an opportunity area.

33 (II) For the seventh and each subsequent revision of the housing
34 element, the number of units approved and disapproved for acutely
35 low income households within each opportunity area.

36 (III) For the seventh and each subsequent revision of the housing
37 element, the number of units approved and disapproved for
38 extremely low income households within each opportunity area.

39 (IV) The number of units approved and disapproved for very
40 low income households within each opportunity area.

(V) The number of units approved and disapproved for lower income households within each opportunity area.

(VI) The number of units approved and disapproved for moderate-income households within each opportunity area.

(VII) The number of units approved and disapproved for above moderate-income households within each opportunity area.

(ii) For purposes of this subparagraph, “opportunity area” means a highest, high, moderate, or low resource area pursuant to the most recent “CTCAC/HCD Opportunity Map” published by the California Tax Credit Allocation Committee and the Department of Housing and Community Development.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city’s or county’s share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) (i) The number of units of housing demolished and new units of housing, including both rental housing and for-sale housing and any units that the County of Napa or the City of Napa may report pursuant to an agreement entered into pursuant to Section 65584.08, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall do the following:

(I) For each income category described in this subparagraph, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category.

(II) For each entitlement, building permit, or certificate of occupancy, include a unique site identifier that must include the assessor’s parcel number, but may also include street address, or other identifiers.

(ii) For the County of Napa and the City of Napa, the production report may report units identified in the agreement entered into pursuant to Section 65584.08.

(I) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (c) of Section 65913.4, the total number of building permits issued pursuant to subdivision (c) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (c) of Section 65913.4.

(J) If the city or county has received funding pursuant to the Local Government Planning Support Grants Program (Chapter 3.1 (commencing with Section 50515) of Part 2 of Division 31 of the Health and Safety Code), the information required pursuant to subdivision (a) of Section 50515.04 of the Health and Safety Code.

(K) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code, pursuant to Chapter 905 of the Statutes of 2004.

(L) The following information with respect to density bonuses granted in accordance with Section 65915:

(i) The number of density bonus applications received by the city or county.

(ii) The number of density bonus applications approved by the city or county.

(iii) Data from all projects approved to receive a density bonus from the city or county, including, but not limited to, the percentage of density bonus received, the percentage of affordable units in the project, the number of other incentives or concessions granted to the project, and any waiver or reduction of parking standards for the project.

(M) The following information with respect to each application submitted pursuant to Chapter 4.1 (commencing with Section 65912.100):

(i) The location of the project.

(ii) The status of the project, including whether it has been entitled, whether a building permit has been issued, and whether or not it has been completed.

(iii) The number of units in the project.

- 1 (iv) The number of units in the project that are rental housing.
- 2 (v) The number of units in the project that are for-sale housing.
- 3 (vi) The household income category of the units, as determined
- 4 pursuant to subdivision (f) of Section 65584.

5 (N) A list of all historic designations listed on the National
6 Register of Historic Places, the California Register of Historic
7 Resources, or a local register of historic places by the city or county
8 in the past year, and the status of any housing development projects
9 proposed for the new historic designations, including all of the
10 following:

- 11 (i) Whether the housing development project has been entitled.
- 12 (ii) Whether a building permit has been issued for the housing
- 13 development project.

14 (iii) The number of units in the housing development project.

15 (O) The following information with respect to housing
16 development projects under Section 65913.16:

17 (i) The number of applications submitted under Section
18 65913.16.

19 (ii) The location and number of developments approved under
20 Section 65913.16.

21 (iii) The total number of building permits issued pursuant to
22 Section 65913.16.

23 (iv) The total number of units constructed under Section
24 65913.16 and the income category of those units.

25 (b) (1) (A) The department may request corrections to the
26 housing element portion of an annual report submitted pursuant
27 to paragraph (2) of subdivision (a) within 90 days of receipt. A
28 planning agency shall make the requested corrections within 30
29 days after which the department may reject the report if the report
30 is not in substantial compliance with the requirements of that
31 paragraph.

32 (B) If the department rejects the housing element portion of an
33 annual report as authorized by subparagraph (A), the department
34 shall provide the reasons the report is inconsistent with paragraph
35 (2) of subdivision (a) to the planning agency in writing.

36 (2) If a court finds, upon a motion to that effect, that a city,
37 county, or city and county failed to submit, within 60 days of the
38 deadline established in this section, the housing element portion
39 of the report required pursuant to subparagraph (B) of paragraph
40 (2) of subdivision (a) that substantially complies with the

1 requirements of this section, the court shall issue an order or
2 judgment compelling compliance with this section within 60 days.
3 If the city, county, or city and county fails to comply with the
4 court's order within 60 days, the plaintiff or petitioner may move
5 for sanctions, and the court may, upon that motion, grant
6 appropriate sanctions. The court shall retain jurisdiction to ensure
7 that its order or judgment is carried out. If the court determines
8 that its order or judgment is not carried out within 60 days, the
9 court may issue further orders as provided by law to ensure that
10 the purposes and policies of this section are fulfilled. This
11 subdivision applies to proceedings initiated on or after the first
12 day of October following the adoption of forms and definitions by
13 the Department of Housing and Community Development pursuant
14 to paragraph (2) of subdivision (a), but no sooner than six months
15 following that adoption.

16 (c) The Department of Housing and Community Development
17 shall post a report submitted pursuant to this section on its internet
18 website within a reasonable time of receiving the report.

19 SEC. 9. Section 65584.01 of the Government Code is amended
20 to read:

21 65584.01. For the fourth and subsequent revision of the housing
22 element pursuant to Section 65588, the department, in consultation
23 with each council of governments, where applicable, shall
24 determine the existing and projected need for housing for each
25 region in the following manner:

26 (a) The department's determination shall be based upon
27 population projections produced by the Department of Finance
28 and regional population forecasts used in preparing regional
29 transportation plans, in consultation with each council of
30 governments. If the total regional population forecast for the
31 projection year, developed by the council of governments and used
32 for the preparation of the regional transportation plan, is within a
33 range of 1.5 percent of the total regional population forecast for
34 the projection year by the Department of Finance, then the
35 population forecast developed by the council of governments shall
36 be the basis from which the department determines the existing
37 and projected need for housing in the region. If the difference
38 between the total population projected by the council of
39 governments and the total population projected for the region by
40 the Department of Finance is greater than 1.5 percent, then the

department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If agreement is not reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(b) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The percentage of households that are overcrowded within the region and the percentage of households that are overcrowded throughout the nation. For purposes of this subparagraph, the term "overcrowded" means more than one resident per room in each room in a dwelling.

(D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.

(F) Other characteristics of the composition of the projected population.

(G) The relationship between jobs and housing, including any imbalance between jobs and housing.

(H) The percentage of households that are cost burdened within the region and the percentage of households that are cost burdened throughout the nation. For the purposes of this subparagraph, the

1 term “cost burdened” means the share of very low, low-, moderate-,
2 and above moderate-income households that are paying more than
3 30 percent of household income on housing costs.

4 (I) The loss of units during a state of emergency that was
5 declared by the Governor pursuant to the California Emergency
6 Services Act (Chapter 7 (commencing with Section 8550) of
7 Division 1 of Title 2), during the planning period immediately
8 preceding the relevant revision pursuant to Section 65588 that
9 have yet to be rebuilt or replaced at the time of the data request.

10 (J) The housing needs of individuals and families experiencing
11 homelessness.

12 (i) The data utilized by the council of governments shall align
13 with homelessness data best practices as determined by the
14 department.

15 (ii) Sources of homelessness data may include the Homeless
16 Data Integration System administered by the Interagency Council
17 on Homelessness, the homeless point-in-time count, or other
18 sources deemed appropriate by the department.

19 (2) The department may accept or reject the information
20 provided by the council of governments or modify its own
21 assumptions or methodology based on this information. After
22 consultation with the council of governments, the department shall
23 make determinations in writing on the assumptions for each of the
24 factors listed in subparagraphs (A) to (I), inclusive, of paragraph
25 (1) and the methodology it shall use and shall provide these
26 determinations to the council of governments. The methodology
27 submitted by the department may make adjustments based on the
28 region’s total projected households, which includes existing
29 households as well as projected households.

30 (c) (1) After consultation with the council of governments, the
31 department shall make a determination of the region’s existing
32 and projected housing need based upon the assumptions and
33 methodology determined pursuant to subdivision (b). The region’s
34 existing and projected housing need shall reflect the achievement
35 of a feasible balance between jobs and housing within the region
36 using the regional employment projections in the applicable
37 regional transportation plan. Within 30 days following notice of
38 the determination from the department, the council of governments
39 may file an objection to the department’s determination of the
40 region’s existing and projected housing need with the department.

1 (2) The objection shall be based on and substantiate either of
2 the following:

3 (A) The department failed to base its determination on the
4 population projection for the region established pursuant to
5 subdivision (a), and shall identify the population projection which
6 the council of governments believes should instead be used for the
7 determination and explain the basis for its rationale.

8 (B) The regional housing need determined by the department
9 is not a reasonable application of the methodology and assumptions
10 determined pursuant to subdivision (b). The objection shall include
11 a proposed alternative determination of its regional housing need
12 based upon the determinations made in subdivision (b), including
13 analysis of why the proposed alternative would be a more
14 reasonable application of the methodology and assumptions
15 determined pursuant to subdivision (b).

16 (3) If a council of governments files an objection pursuant to
17 this subdivision and includes with the objection a proposed
18 alternative determination of its regional housing need, it shall also
19 include documentation of its basis for the alternative determination.
20 Within 45 days of receiving an objection filed pursuant to this
21 section, the department shall consider the objection and make a
22 final written determination of the region's existing and projected
23 housing need that includes an explanation of the information upon
24 which the determination was made.

25 (4) In regions in which the department is required to distribute
26 the regional housing need pursuant to Section 65584.06, no city
27 or county may file an objection to the regional housing need
28 determination.

29 (d) Statutory changes enacted after the date the department
30 issued a final determination pursuant to this section shall not be a
31 basis for a revision of the final determination.

32 SEC. 10. Section 65584.04 of the Government Code is amended
33 to read:

34 65584.04. (a) At least two years before a scheduled revision
35 required by Section 65588, each council of governments, or
36 delegate subregion as applicable, shall develop, in consultation
37 with the department, a proposed methodology for distributing the
38 existing and projected regional housing need to cities, counties,
39 and cities and counties within the region or within the subregion,

1 where applicable pursuant to this section. The methodology shall
2 further the objectives listed in subdivision (d) of Section 65584.

3 (b) (1) No more than six months before the development of a
4 proposed methodology for distributing the existing and projected
5 housing need, each council of governments shall survey each of
6 its member jurisdictions to request, at a minimum, information
7 regarding the factors listed in subdivision (e) that will allow the
8 development of a methodology based upon the factors established
9 in subdivision (e).

10 (2) With respect to the objective in paragraph (5) of subdivision
11 (d) of Section 65584, the survey shall review and compile
12 information that will allow the development of a methodology
13 based upon the issues, strategies, and actions that are included, as
14 available, in an Analysis of Impediments to Fair Housing Choice
15 or an Assessment of Fair Housing completed by any city or county
16 or the department that covers communities within the area served
17 by the council of governments, and in housing elements adopted
18 pursuant to this article by cities and counties within the area served
19 by the council of governments.

20 (3) The council of governments shall seek to obtain the
21 information in a manner and format that is comparable throughout
22 the region and utilize readily available data to the extent possible.

23 (4) The information provided by a local government pursuant
24 to this section shall be used, to the extent possible, by the council
25 of governments, or delegate subregion as applicable, as source
26 information for the methodology developed pursuant to this section.
27 The survey shall state that none of the information received may
28 be used as a basis for reducing the total housing need established
29 for the region pursuant to Section 65584.01.

30 (5) If the council of governments fails to conduct a survey
31 pursuant to this subdivision, a city, county, or city and county may
32 submit information related to the items listed in subdivision (e)
33 before the public comment period provided for in subdivision (d).

34 (c) The council of governments shall electronically report the
35 results of the survey of fair housing issues, strategies, and actions
36 compiled pursuant to paragraph (2) of subdivision (b). The report
37 shall describe common themes and effective strategies employed
38 by cities and counties within the area served by the council of
39 governments, including common themes and effective strategies
40 around avoiding the displacement of lower income households.

1 The council of governments shall also identify significant barriers
2 to affirmatively furthering fair housing at the regional level and
3 may recommend strategies or actions to overcome those barriers.
4 A council of governments or metropolitan planning organization,
5 as appropriate, may use this information for any other purpose,
6 including publication within a regional transportation plan adopted
7 pursuant to Section 65080 or to inform the land use assumptions
8 that are applied in the development of a regional transportation
9 plan.

10 (d) Public participation and access shall be required in the
11 development of the methodology and in the process of drafting
12 and adoption of the allocation of the regional housing needs.
13 Participation by organizations other than local jurisdictions and
14 councils of governments shall be solicited in a diligent effort to
15 achieve public participation of all economic segments of the
16 community as well as members of protected classes under Section
17 12955 and households with special housing needs under paragraph
18 (7) of subdivision (a) of Section 65583. The proposed
19 methodology, along with any relevant underlying data and
20 assumptions, an explanation of how information about local
21 government conditions gathered pursuant to subdivision (b) has
22 been used to develop the proposed methodology, how each of the
23 factors listed in subdivision (e) is incorporated into the
24 methodology, and how the proposed methodology furthers the
25 objectives listed in subdivision (d) of Section 65584, shall be
26 distributed to all cities, counties, any subregions, and members of
27 the public who have made a written or electronic request for the
28 proposed methodology and published on the council of
29 governments', or delegate subregion's, internet website. The
30 council of governments, or delegate subregion, as applicable, shall
31 conduct at least one public hearing to receive oral and written
32 comments on the proposed methodology.

33 (e) To the extent that sufficient data is available from local
34 governments pursuant to subdivision (b) or other sources, each
35 council of governments, or delegate subregion as applicable, shall
36 consider including the following factors in developing the
37 methodology that allocates regional housing needs:

38 (1) Each member jurisdiction's existing and projected jobs and
39 housing relationship. This shall include an estimate based on
40 readily available data on the number of low-wage jobs within the

1 jurisdiction and how many housing units within the jurisdiction
2 are affordable to low-wage workers as well as an estimate based
3 on readily available data, of projected job growth and projected
4 household growth by income level within each member jurisdiction
5 during the planning period.

6 (2) The opportunities and constraints to development of
7 additional housing in each member jurisdiction, including all of
8 the following:

9 (A) Lack of capacity for sewer or water service due to federal
10 or state laws, regulations or regulatory actions, or supply and
11 distribution decisions made by a sewer or water service provider
12 other than the local jurisdiction that preclude the jurisdiction from
13 providing necessary infrastructure for additional development
14 during the planning period.

15 (B) The availability of land suitable for urban development or
16 for conversion to residential use, the availability of underutilized
17 land, and opportunities for infill development and increased
18 residential densities. The council of governments may not limit
19 its consideration of suitable housing sites or land suitable for urban
20 development to existing zoning ordinances and land use restrictions
21 of a locality, but shall consider the potential for increased
22 residential development under alternative zoning ordinances and
23 land use restrictions. The determination of available land suitable
24 for urban development may exclude lands where the Federal
25 Emergency Management Agency (FEMA) or the Department of
26 Water Resources has determined that the flood management
27 infrastructure designed to protect that land is not adequate to avoid
28 the risk of flooding.

29 (C) Lands preserved or protected from urban development under
30 existing federal or state programs, or both, designed to protect
31 open space, farmland, environmental habitats, and natural resources
32 on a long-term basis, including land zoned or designated for
33 agricultural protection or preservation that is subject to a local
34 ballot measure that was approved by the voters of that jurisdiction
35 that prohibits or restricts conversion to nonagricultural uses.

36 (D) County policies to preserve prime agricultural land, as
37 defined pursuant to Section 56064, within an unincorporated area
38 and land within an unincorporated area zoned or designated for
39 agricultural protection or preservation that is subject to a local

1 ballot measure that was approved by the voters of that jurisdiction
2 that prohibits or restricts its conversion to nonagricultural uses.

3 (E) Emergency evacuation route capacity, wildfire risk, sea
4 level rise, and other impacts caused by climate change.

5 (3) The distribution of household growth assumed for purposes
6 of a comparable period of regional transportation plans and
7 opportunities to maximize the use of public transportation and
8 existing transportation infrastructure.

9 (4) Agreements between a county and cities in a county to direct
10 growth toward incorporated areas of the county and land within
11 an unincorporated area zoned or designated for agricultural
12 protection or preservation that is subject to a local ballot measure
13 that was approved by the voters of the jurisdiction that prohibits
14 or restricts conversion to nonagricultural uses.

15 (5) The loss of units contained in assisted housing developments,
16 as defined in paragraph (9) of subdivision (a) of Section 65583,
17 that changed to non-low-income use through mortgage prepayment,
18 subsidy contract expirations, or termination of use restrictions.

19 (6) The percentage of existing households at each of the income
20 levels listed in subdivision (f) of Section 65584 that are paying
21 more than 30 percent and more than 50 percent of their income in
22 rent.

23 (7) The rate of overcrowding.

24 (8) The housing needs of farmworkers.

25 (9) The housing needs generated by the presence of a private
26 university or a campus of the California State University or the
27 University of California within any member jurisdiction.

28 (10) The housing needs of individuals and families experiencing
29 homelessness. If a council of governments has surveyed each of
30 its member jurisdictions pursuant to subdivision (b) on or before
31 January 1, 2020, this paragraph shall apply only to the development
32 of methodologies for the seventh and subsequent revisions of the
33 housing element.

34 (11) The loss of units during a state of emergency that was
35 declared by the Governor pursuant to the California Emergency
36 Services Act (Chapter 7 (commencing with Section 8550) of
37 Division 1 of Title 2), during the planning period immediately
38 preceding the relevant revision pursuant to Section 65588 that
39 have yet to be rebuilt or replaced at the time of the analysis.

1 (12) The region's greenhouse gas emissions targets provided
2 by the State Air Resources Board pursuant to Section 65080.

3 (13) Any other factors adopted by the council of governments,
4 that further the objectives listed in subdivision (d) of Section
5 65584, provided that the council of governments specifies which
6 of the objectives each additional factor is necessary to further. The
7 council of governments may include additional factors unrelated
8 to furthering the objectives listed in subdivision (d) of Section
9 65584 so long as the additional factors do not undermine the
10 objectives listed in subdivision (d) of Section 65584 and are applied
11 equally across all household income levels as described in
12 subdivision (f) of Section 65584 and the council of governments
13 makes a finding that the factor is necessary to address significant
14 health and safety conditions.

15 (f) The council of governments, or delegate subregion, as
16 applicable, shall explain in writing how each of the factors
17 described in subdivision (e) was incorporated into the methodology
18 and how the methodology furthers the objectives listed in
19 subdivision (d) of Section 65584. The methodology may include
20 numerical weighting. This information, and any other supporting
21 materials used in determining the methodology, shall be posted
22 on the council of governments', or delegate subregion's, internet
23 website.

24 (g) The following criteria shall not be a justification for a
25 determination or a reduction in a jurisdiction's share of the regional
26 housing need:

27 (1) Any ordinance, policy, voter-approved measure, or standard
28 of a city or county that directly or indirectly limits the number of
29 residential building permits issued by a city or county.

30 (2) Prior underproduction of housing in a city or county from
31 the previous regional housing need allocation, as determined by
32 each jurisdiction's annual production report submitted pursuant
33 to subparagraph (H) of paragraph (2) of subdivision (a) of Section
34 65400.

35 (3) Stable population numbers in a city or county from the
36 previous regional housing needs cycle.

37 (h) Following the conclusion of the public comment period
38 described in subdivision (d) on the proposed allocation
39 methodology, and after making any revisions deemed appropriate
40 by the council of governments, or delegate subregion, as applicable,

as a result of comments received during the public comment period, and as a result of consultation with the department, each council of governments, or delegate subregion, as applicable, shall publish a draft allocation methodology on its internet website and submit the draft allocation methodology, along with the information required pursuant to subdivision (e), to the department.

(i) Within 60 days, the department shall review the draft allocation methodology and report its written findings to the council of governments, or delegate subregion, as applicable. In its written findings the department shall determine whether the methodology furthers the objectives listed in subdivision (d) of Section 65584. If the department determines that the methodology is not consistent with subdivision (d) of Section 65584, the council of governments, or delegate subregion, as applicable, shall take both of the following actions:

(1) Revise the methodology, in consultation with the department, to further the objectives listed in subdivision (d) of Section 65584 within 45 days.

(2) Receive department acceptance that the revised methodology furthers the objectives listed in subdivision (d) of Section 65584 and adopt a final regional, or subregional, housing need allocation methodology.

(j) If the department's findings are not available within the time limits set by subdivision (i), the council of governments, or delegate subregion, may act without them.

(k) After taking action pursuant to subdivision (i), the council of governments, or delegate subregion, shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to the department, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.

(l) The department may, within 45 days, review the adopted methodology and report its findings to the council of governments, or delegate subregion.

(m) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

1 (2) (A) The final allocation plan shall ensure that the total
2 regional housing need, by income category, as determined under
3 Section 65584, is maintained, and that each jurisdiction in the
4 region receive an allocation of units for low- and very low income
5 households.

6 (B) For the seventh and subsequent revisions of the housing
7 element, the allocation to each region required under subparagraph
8 (A) shall also include an allocation of units for acutely low and
9 extremely low income households.

10 (3) The resolution approving the final housing need allocation
11 plan shall demonstrate that the plan is consistent with the
12 sustainable communities strategy in the regional transportation
13 plan and furthers the objectives listed in subdivision (d) of Section
14 65584.

15 (n) This section shall become operative on January 1, 2025.

16 SEC. 11. Section 65589.5 of the Government Code is amended
17 to read:

18 65589.5. (a) (1) The Legislature finds and declares all of the
19 following:

20 (A) The lack of housing, including emergency shelters, is a
21 critical problem that threatens the economic, environmental, and
22 social quality of life in California.

23 (B) California housing has become the most expensive in the
24 nation. The excessive cost of the state's housing supply is partially
25 caused by activities and policies of many local governments that
26 limit the approval of housing, increase the cost of land for housing,
27 and require that high fees and exactions be paid by producers of
28 housing.

29 (C) Among the consequences of those actions are discrimination
30 against low-income and minority households, lack of housing to
31 support employment growth, imbalance in jobs and housing,
32 reduced mobility, urban sprawl, excessive commuting, and air
33 quality deterioration.

34 (D) Many local governments do not give adequate attention to
35 the economic, environmental, and social costs of decisions that
36 result in disapproval of housing development projects, reduction
37 in density of housing projects, and excessive standards for housing
38 development projects.

1 (2) In enacting the amendments made to this section by the act
2 adding this paragraph, the Legislature further finds and declares
3 the following:

4 (A) California has a housing supply and affordability crisis of
5 historic proportions. The consequences of failing to effectively
6 and aggressively confront this crisis are hurting millions of
7 Californians, robbing future generations of the chance to call
8 California home, stifling economic opportunities for workers and
9 businesses, worsening poverty and homelessness, and undermining
10 the state's environmental and climate objectives.

11 (B) While the causes of this crisis are multiple and complex,
12 the absence of meaningful and effective policy reforms to
13 significantly enhance the approval and supply of housing affordable
14 to Californians of all income levels is a key factor.

15 (C) The crisis has grown so acute in California that supply,
16 demand, and affordability fundamentals are characterized in the
17 negative: underserved demands, constrained supply, and protracted
18 unaffordability.

19 (D) According to reports and data, California has accumulated
20 an unmet housing backlog of nearly 2,000,000 units and must
21 provide for at least 180,000 new units annually to keep pace with
22 growth through 2025.

23 (E) California's overall home ownership rate is at its lowest
24 level since the 1940s. The state ranks 49th out of the 50 states in
25 home ownership rates as well as in the supply of housing per capita.
26 Only one-half of California's households are able to afford the
27 cost of housing in their local regions.

28 (F) Lack of supply and rising costs are compounding inequality
29 and limiting advancement opportunities for many Californians.

30 (G) The majority of California renters, more than 3,000,000
31 households, pay more than 30 percent of their income toward rent
32 and nearly one-third, more than 1,500,000 households, pay more
33 than 50 percent of their income toward rent.

34 (H) When Californians have access to safe and affordable
35 housing, they have more money for food and health care; they are
36 less likely to become homeless and in need of
37 government-subsidized services; their children do better in school;
38 and businesses have an easier time recruiting and retaining
39 employees.

1 (I) An additional consequence of the state’s cumulative housing
2 shortage is a significant increase in greenhouse gas emissions
3 caused by the displacement and redirection of populations to states
4 with greater housing opportunities, particularly working- and
5 middle-class households. California’s cumulative housing shortfall
6 therefore has not only national but international environmental
7 consequences.

8 (J) California’s housing picture has reached a crisis of historic
9 proportions despite the fact that, for decades, the Legislature has
10 enacted numerous statutes intended to significantly increase the
11 approval, development, and affordability of housing for all income
12 levels, including this section.

13 (K) The Legislature’s intent in enacting this section in 1982 and
14 in expanding its provisions since then was to significantly increase
15 the approval and construction of new housing for all economic
16 segments of California’s communities by meaningfully and
17 effectively curbing the capability of local governments to deny,
18 reduce the density for, or render infeasible housing development
19 projects and emergency shelters. That intent has not been fulfilled.

20 (L) It is the policy of the state that this section be interpreted
21 and implemented in a manner to afford the fullest possible weight
22 to the interest of, and the approval and provision of, housing.

23 (3) It is the intent of the Legislature that the conditions that
24 would have a specific, adverse impact upon the public health and
25 safety, as described in paragraph (2) of subdivision (d) and
26 paragraph (1) of subdivision (j), arise infrequently.

27 (4) It is the intent of the Legislature that the amendments
28 removing provisions from subparagraphs (D) and (E) of paragraph
29 (6) of subdivision (h) and adding those provisions to Sections
30 65589.5.1 and 65589.5.2 by Assembly Bill 1413 (2023), insofar
31 as they are substantially the same as existing law, shall be
32 considered restatements and continuations of existing law, and not
33 new enactments.

34 (b) It is the policy of the state that a local government not reject
35 or make infeasible housing development projects, including
36 emergency shelters, that contribute to meeting the need determined
37 pursuant to this article without a thorough analysis of the economic,
38 social, and environmental effects of the action and without
39 complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) For a housing development project for very low, low-, or moderate-income households, or an emergency shelter, a local agency shall not disapprove the housing development project or emergency shelter, or condition approval in a manner that renders the housing development project or emergency shelter infeasible, including through the use of design review standards, unless it makes written findings, based upon a preponderance of the evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the housing development project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The housing development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily

1 mitigate or avoid the specific, adverse impact without rendering
2 the development unaffordable to low- and moderate-income
3 households or rendering the development of the emergency shelter
4 financially infeasible. As used in this paragraph, a “specific,
5 adverse impact” means a significant, quantifiable, direct, and
6 unavoidable impact, based on objective, identified written public
7 health or safety standards, policies, or conditions as they existed
8 on the date the application was deemed complete. The following
9 shall not constitute a specific, adverse impact upon the public
10 health or safety:

11 (A) Inconsistency with the zoning ordinance or general plan
12 land use designation.

13 (B) The eligibility to claim a welfare exemption under
14 subdivision (g) of Section 214 of the Revenue and Taxation Code.

15 (3) The denial of the housing development project or imposition
16 of conditions is required in order to comply with specific state or
17 federal law, and there is no feasible method to comply without
18 rendering the development unaffordable to low- and
19 moderate-income households or rendering the development of the
20 emergency shelter financially infeasible.

21 (4) The housing development project or emergency shelter is
22 proposed on land zoned for agriculture or resource preservation
23 that is surrounded on at least two sides by land being used for
24 agricultural or resource preservation purposes, or which does not
25 have adequate water or wastewater facilities to serve the project.

26 (5) On the date an application for the housing development
27 project or emergency shelter was deemed complete, the jurisdiction
28 had adopted a revised housing element that was in substantial
29 compliance with this article, and the housing development project
30 or emergency shelter was inconsistent with both the jurisdiction’s
31 zoning ordinance and general plan land use designation as specified
32 in any element of the general plan.

33 (A) This paragraph shall not be utilized to disapprove or
34 conditionally approve a housing development project proposed on
35 a site, including a candidate site for rezoning, that is identified as
36 suitable or available for very low, low-, or moderate-income
37 households in the jurisdiction’s housing element if the housing
38 development project is consistent with the density specified in the
39 housing element, even though the housing development project
40 was inconsistent with both the jurisdiction’s zoning ordinance and

1 general plan land use designation on the date the application was
2 deemed complete.

3 (B) If the local agency has failed to identify a zone or zones
4 where emergency shelters are allowed as a permitted use without
5 a conditional use or other discretionary permit, has failed to
6 demonstrate that the identified zone or zones include sufficient
7 capacity to accommodate the need for emergency shelter identified
8 in paragraph (7) of subdivision (a) of Section 65583, or has failed
9 to demonstrate that the identified zone or zones can accommodate
10 at least one emergency shelter, as required by paragraph (4) of
11 subdivision (a) of Section 65583, then this paragraph shall not be
12 utilized to disapprove or conditionally approve an emergency
13 shelter proposed for a site designated in any element of the general
14 plan for industrial, commercial, or multifamily residential uses. In
15 any action in court, the burden of proof shall be on the local agency
16 to show that its housing element does satisfy the requirements of
17 paragraph (4) of subdivision (a) of Section 65583.

18 (6) On the date an application for the housing development
19 project or emergency shelter was deemed complete, the jurisdiction
20 did not have an adopted revised housing element that was in
21 substantial compliance with this article and the housing
22 development project is not a builder's remedy project.

23 (e) Nothing in this section shall be construed to relieve the local
24 agency from complying with the congestion management program
25 required by Chapter 2.6 (commencing with Section 65088) of
26 Division 1 of Title 7 or the California Coastal Act of 1976
27 (Division 20 (commencing with Section 30000) of the Public
28 Resources Code). Neither shall anything in this section be
29 construed to relieve the local agency from making one or more of
30 the findings required pursuant to Section 21081 of the Public
31 Resources Code or otherwise complying with the California
32 Environmental Quality Act (Division 13 (commencing with Section
33 21000) of the Public Resources Code).

34 (f) (1) Except as provided in paragraphs (6) and (8) of this
35 subdivision, and subdivision (o), nothing in this section shall be
36 construed to prohibit a local agency from requiring the housing
37 development project to comply with objective, quantifiable, written
38 development standards, conditions, and policies appropriate to,
39 and consistent with, meeting the jurisdiction's share of the regional
40 housing need pursuant to Section 65584. However, the

1 development standards, conditions, and policies shall be applied
2 to facilitate and accommodate development at the density permitted
3 on the site and proposed by the development. Nothing in this
4 section shall limit a project's eligibility for a density bonus,
5 incentive, or concession, or waiver or reduction of development
6 standards and parking ratios, pursuant to Section 65915.

7 (2) Except as provided in subdivision (o), nothing in this section
8 shall be construed to prohibit a local agency from requiring an
9 emergency shelter project to comply with objective, quantifiable,
10 written development standards, conditions, and policies that are
11 consistent with paragraph (4) of subdivision (a) of Section 65583
12 and appropriate to, and consistent with, meeting the jurisdiction's
13 need for emergency shelter, as identified pursuant to paragraph
14 (7) of subdivision (a) of Section 65583. However, the development
15 standards, conditions, and policies shall be applied by the local
16 agency to facilitate and accommodate the development of the
17 emergency shelter project.

18 (3) Except as provided in subdivision (o), nothing in this section
19 shall be construed to prohibit a local agency from imposing fees
20 and other exactions otherwise authorized by law that are essential
21 to provide necessary public services and facilities to the housing
22 development project or emergency shelter.

23 (4) For purposes of this section, a housing development project
24 or emergency shelter shall be deemed consistent, compliant, and
25 in conformity with an applicable plan, program, policy, ordinance,
26 standard, requirement, or other similar provision if there is
27 substantial evidence that would allow a reasonable person to
28 conclude that the housing development project or emergency
29 shelter is consistent, compliant, or in conformity.

30 (5) For purposes of this section, a change to the zoning ordinance
31 or general plan land use designation subsequent to the date the
32 application was deemed complete shall not constitute a valid basis
33 to disapprove or condition approval of the housing development
34 project or emergency shelter.

35 (6) Notwithstanding paragraphs (1) to (5), inclusive, all of the
36 following apply to a housing development project that is a builder's
37 remedy project:

38 (A) A local agency may only require the project to comply with
39 the objective, quantifiable, written development standards,
40 conditions, and policies that would have applied to the project had

it been proposed on a site with a general plan designation and zoning classification that allow the density and unit type proposed by the applicant. If the local agency has no general plan designation or zoning classification that would have allowed the density and unit type proposed by the applicant, the development proponent may identify any objective, quantifiable, written development standards, conditions, and policies associated with a different general plan designation or zoning classification within that jurisdiction, that facilitate the project's density and unit type, and those shall apply.

(B) (i) Except as authorized by paragraphs (1) to (4), inclusive, of subdivision (d), a local agency shall not apply any individual or combination of objective, quantifiable, written development standards, conditions, and policies to the project that do any of the following:

(I) Render the project infeasible.

(II) Preclude a project that meets the requirements allowed to be imposed by subparagraph (A), as modified by any density bonus, incentive, or concession, or waiver or reduction of development standards and parking ratios, pursuant to Section 65915, from being constructed as proposed by the applicant.

(ii) The local agency shall bear the burden of proof of complying with clause (i).

(C) (i) A project applicant that qualifies for a density bonus pursuant to Section 65915 shall receive two incentives or concessions in addition to those granted pursuant to paragraph (2) of subdivision (d) of Section 65915.

(ii) For a project seeking density bonuses, incentives, concessions, or any other benefits pursuant to Section 65915, and notwithstanding paragraph (6) of subdivision (o) of Section 65915, for purposes of this paragraph, maximum allowable residential density or base density means the density permitted for a builder's remedy project pursuant to subparagraph (C) of paragraph (11) of subdivision (h).

(iii) A local agency shall grant any density bonus pursuant to Section 65915 based on the number of units proposed and allowable pursuant to subparagraph (C) of paragraph (11) of subdivision (h).

(iv) A project that dedicates units to extremely low-income households pursuant to subclause (I) of clause (i) of subparagraph

1 (C) of paragraph (3) of subdivision (h) shall be eligible for the
2 same density bonus, incentives or concessions, and waivers or
3 reductions of development standards as provided to a housing
4 development project that dedicates three percentage points more
5 units to very low income households pursuant to paragraph (2) of
6 subdivision (f) of Section 65915.

7 (v) All units dedicated to extremely low-income, very low
8 income, low-income, and moderate-income households pursuant
9 to paragraph (11) of subdivision (h) shall be counted as affordable
10 units in determining whether the applicant qualifies for a density
11 bonus pursuant to Section 65915.

12 (D) (i) The project shall not be required to apply for, or receive
13 approval of, a general plan amendment, specific plan amendment,
14 rezoning, or other legislative approval.

15 (ii) The project shall not be required to apply for, or receive,
16 any approval or permit not generally required of a project of the
17 same type and density proposed by the applicant.

18 (iii) Any project that complies with this paragraph shall be
19 deemed consistent, compliant, and in conformity with an applicable
20 plan, program, policy, ordinance, standard, requirement,
21 redevelopment plan and implementing instruments, or other similar
22 provision for all purposes, and shall not be considered or treated
23 as a nonconforming lot, use, or structure for any purpose.

24 (E) A local agency shall not adopt or impose any requirement,
25 process, practice, or procedure or undertake any course of conduct,
26 including, but not limited to, increased fees or inclusionary housing
27 requirements, that applies to a project solely or partially on the
28 basis that the project is a builder's remedy project.

29 (F) (i) A builder's remedy project shall be deemed to be in
30 compliance with the residential density standards for the purposes
31 of complying with subdivision (b) of Section 65912.123.

32 (ii) A builder's remedy project shall be deemed to be in
33 compliance with the objective zoning standards, objective
34 subdivision standards, and objective design review standards for
35 the purposes of complying with paragraph (5) of subdivision (a)
36 of Section 65913.4.

37 (G) (i) (I) If the local agency had a local affordable housing
38 requirement, as defined in Section 65912.101, that on January 1,
39 2024, required a greater percentage of affordable units than
40 required under subparagraph (A) of paragraph (11) of subdivision

(h), or required an affordability level deeper than what is required under subparagraph (A) of paragraph (11) of subdivision (h), then, except as provided in subclauses (II) and (III), the local agency may require a housing development for mixed-income households to comply with an otherwise lawfully applicable local affordability percentage or affordability level. The local agency shall not require housing for mixed-income households to comply with any other aspect of the local affordable housing requirement.

(II) Notwithstanding subclause (I), the local affordable housing requirements shall not be applied to require housing for mixed-income households to dedicate more than 20 percent of the units to affordable units of any kind.

(III) Housing for mixed-income households that is required to dedicate 20 percent of the units to affordable units shall not be required to dedicate any of the affordable units at an income level deeper than lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(IV) A local agency may only require housing for mixed-income households to comply with the local percentage requirement or affordability level described in subclause (I) if it first makes written findings, supported by a preponderance of evidence, that compliance with the local percentage requirement or the affordability level, or both, would not render the housing development project infeasible. If a reasonable person could find compliance with either requirement, either alone or in combination, would render the project infeasible, the project shall not be required to comply with that requirement.

(ii) Affordable units in the development project shall have a comparable bedroom and bathroom count as the market rate units.

(iii) Each affordable unit dedicated pursuant to this subparagraph shall count toward satisfying a local affordable housing requirement. Each affordable unit dedicated pursuant to a local affordable housing requirement that meets the criteria established in this subparagraph shall count towards satisfying the requirements of this subparagraph. This is declaratory of existing law.

(7) (A) For a housing development project application that is deemed complete before January 1, 2025, the development proponent for the project may choose to be subject to the provisions of this section that were in place on the date the preliminary application was submitted, or, if the project meets the definition

1 of a builder's remedy project, it may choose to be subject to any
2 or all of the provisions of this section applicable as of January 1,
3 2025.

4 (B) Notwithstanding subdivision (c) of Section 65941.1, for a
5 housing development project deemed complete before January 1,
6 2025, the development proponent may choose to revise their
7 application so that the project is a builder's remedy project, without
8 being required to resubmit a preliminary application, even if the
9 revision results in the number of residential units or square footage
10 of construction changing by 20 percent or more.

11 (8) A housing development project proposed on a site that is
12 identified as suitable or available for very low, low-, or
13 moderate-income households in the jurisdiction's housing element,
14 that is consistent with the density specified in the most recently
15 updated and adopted housing element, and that is inconsistent with
16 both the jurisdiction's zoning ordinance and general plan land use
17 designation on the date the application was deemed complete, shall
18 be subject to the provisions of subparagraphs (A), (B), and (D) of
19 paragraph (6) and paragraph (9).

20 (9) For purposes of this subdivision, "objective, quantifiable,
21 written development standards, conditions, and policies" means
22 criteria that involve no personal or subjective judgment by a public
23 official and are uniformly verifiable by reference to an external
24 and uniform benchmark or criterion available and knowable by
25 both the development applicant or proponent and the public official
26 before submittal, including, but not limited to, any standard,
27 ordinance, or policy described in paragraph (4) of subdivision (o).
28 Nothing herein shall affect the obligation of the housing
29 development project to comply with the minimum building
30 standards approved by the California Building Standards
31 Commission as provided in Part 2.5 (commencing with Section
32 18901) of Division 13 of the Health and Safety Code. In the event
33 that applicable objective, quantifiable, written development
34 standards, conditions, and policies are mutually inconsistent, a
35 development shall be deemed consistent with the criteria that
36 permits the density and unit type closest to that of the proposed
37 project.

38 (g) This section shall be applicable to charter cities because the
39 Legislature finds that the lack of housing, including emergency
40 shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) “Feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) “Housing development project” means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses that meet any of the following conditions:

(i) At least two-thirds of the new or converted square footage is designated for residential use.

(ii) At least 50 percent of the new or converted square footage is designated for residential use and the project meets both of the following:

(I) The project includes at least 500 net new residential units.

(II) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(iii) At least 50 percent of the net new or converted square footage is designated for residential use and the project meets all of the following:

(I) The project includes at least 500 net new residential units.

(II) The project involves the demolition or conversion of at least 100,000 square feet of nonresidential use.

(III) The project demolishes at least 50 percent of the existing nonresidential uses on the site.

(IV) No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except a portion of the project may be designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(C) Transitional housing or supportive housing.

(D) Farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(3) (A) “Housing for very low, low-, or moderate-income households” means housing for lower income households, mixed-income households, or moderate-income households.

(B) “Housing for lower income households” means a housing development project in which 100 percent of the units, excluding

1 managers' units, are dedicated to lower income households, as
2 defined in Section 50079.5 of the Health and Safety Code, at an
3 affordable cost, as defined by Section 50052.5 of the Health and
4 Safety Code, or an affordable rent set in an amount consistent with
5 the rent limits established by the California Tax Credit Allocation
6 Committee. The units shall be subject to a recorded deed restriction
7 for a period of 55 years for rental units and 45 years for
8 owner-occupied units.

9 (C) (i) "Housing for mixed-income households" means any of
10 the following:

11 (I) A housing development project in which at least 7 percent
12 of the total units, as defined in subparagraph (A) of paragraph (8)
13 of subdivision (o) of Section 65915, are dedicated to extremely
14 low income households, as defined in Section 50106 of the Health
15 and Safety Code.

16 (II) A housing development project in which at least 10 percent
17 of the total units, as defined in subparagraph (A) of paragraph (8)
18 of subdivision (o) of Section 65915, are dedicated to very low
19 income households, as defined in Section 50105 of the Health and
20 Safety Code.

21 (III) A housing development project in which at least 13 percent
22 of the total units, as defined in subparagraph (A) of paragraph (8)
23 of subdivision (o) of Section 65915, are dedicated to lower income
24 households, as defined in Section 50079.5 of the Health and Safety
25 Code.

26 (IV) A housing development project in which there are 10 or
27 fewer total units, as defined in subparagraph (A) of paragraph (8)
28 of subdivision (o) of Section 65915, that is on a site that is smaller
29 than one acre, and that is proposed for development at a minimum
30 density of 10 units per acre.

31 (ii) All units dedicated to extremely low income, very low
32 income, and low-income households pursuant to clause (i) shall
33 meet both of the following:

34 (I) The units shall have an affordable housing cost, as defined
35 in Section 50052.5 of the Health and Safety Code, or an affordable
36 rent, as defined in Section 50053 of the Health and Safety Code.

37 (II) The development proponent shall agree to, and the local
38 agency shall ensure, the continued affordability of all affordable
39 rental units included pursuant to this section for 55 years and all

1 affordable ownership units included pursuant to this section for a
2 period of 45 years.

3 (D) “Housing for moderate-income households” means a
4 housing development project in which 100 percent of the units are
5 sold or rented to moderate-income households, as defined in
6 Section 50093 of the Health and Safety Code, at an affordable
7 housing cost, as defined in Section 50052.5 of the Health and
8 Safety Code, or an affordable rent, as defined in Section 50053 of
9 the Health and Safety Code. The units shall be subject to a recorded
10 deed restriction for a period of 55 years for rental units and 45
11 years for owner-occupied units.

12 (4) “Area median income” means area median income as
13 periodically established by the Department of Housing and
14 Community Development pursuant to Section 50093 of the Health
15 and Safety Code.

16 (5) Notwithstanding any other law, “deemed complete” means
17 that the applicant has submitted a preliminary application pursuant
18 to Section 65941.1 or, if the applicant has not submitted a
19 preliminary application, has submitted a complete application
20 pursuant to Section 65943. The local agency shall bear the burden
21 of proof in establishing that the application is not complete.

22 (6) “Disapprove the housing development project” includes any
23 instance in which a local agency does any of the following:

24 (A) Votes or takes final administrative action on a proposed
25 housing development project application and the application is
26 disapproved, including any required land use approvals or
27 entitlements necessary for the issuance of a building permit.

28 (B) Fails to comply with the time periods specified in
29 subdivision (a) of Section 65950. An extension of time pursuant
30 to Article 5 (commencing with Section 65950) shall be deemed to
31 be an extension of time pursuant to this paragraph.

32 (C) Fails to meet the time limits specified in Section 65913.3.

33 (D) Fails to cease a course of conduct undertaken for an
34 improper purpose, such as to harass or to cause unnecessary delay
35 or needless increases in the cost of the proposed housing
36 development project, that effectively disapproves the proposed
37 housing development without taking final administrative action if
38 all of the following conditions are met:

1 (i) The project applicant provides written notice detailing the
2 challenged conduct and why it constitutes disapproval to the local
3 agency established under Section 65100.

4 (ii) Within five working days of receiving the applicant's written
5 notice described in clause (i), the local agency shall post the notice
6 on the local agency's internet website, provide a copy of the notice
7 to any person who has made a written request for notices pursuant
8 to subdivision (f) of Section 21167 of the Public Resources Code,
9 and file the notice with the county clerk of each county in which
10 the project will be located. The county clerk shall post the notice
11 and make it available for public inspection in the manner set forth
12 in subdivision (c) of Section 21152 of the Public Resources Code.

13 (iii) The local agency shall consider all objections, comments,
14 evidence, and concerns about the project or the applicant's written
15 notice and shall not make a determination until at least 60 days
16 after the applicant has given written notice to the local agency
17 pursuant to clause (i).

18 (iv) Within 90 days of receipt of the applicant's written notice
19 described in clause (i), the local agency shall issue a written
20 statement that it will immediately cease the challenged conduct or
21 issue written findings that comply with both of the following
22 requirements:

23 (I) The findings articulate an objective basis for why the
24 challenged course of conduct is necessary.

25 (II) The findings provide clear instructions on what the applicant
26 must submit or supplement so that the local agency can make a
27 final determination regarding the next necessary approval or set
28 the date and time of the next hearing.

29 (v) (I) If a local agency continues the challenged course of
30 conduct described in the applicant's written notice and fails to
31 issue the written findings described in clause (iv), the local agency
32 shall bear the burden of establishing that its course of conduct does
33 not constitute a disapproval of the housing development project
34 under this subparagraph in an action taken by the applicant.

35 (II) If an applicant challenges a local agency's course of conduct
36 as a disapproval under this subparagraph, the local agency's written
37 findings described in clause (iv) shall be incorporated into the
38 administrative record and be deemed to be the final administrative
39 action for purposes of adjudicating whether the local agency's

1 course of conduct constitutes a disapproval of the housing
2 development project under this subparagraph.

3 (vi) A local agency's action in furtherance of complying with
4 the California Environmental Quality Act (Division 13
5 (commencing with Section 21000) of the Public Resources Code),
6 including, but not limited to, imposing mitigating measures, shall
7 not constitute project disapproval under this subparagraph.

8 (E) Fails to comply with Section 65905.5. For purposes of this
9 subparagraph, a builder's remedy project shall be deemed to
10 comply with the applicable, objective general plan and zoning
11 standards in effect at the time an application is deemed complete.

12 (F) (i) Determines that an application for a housing development
13 project is incomplete pursuant to subdivision (a) or (b) of Section
14 65943 and includes in the determination an item that is not required
15 on the local agency's submittal requirement checklist. The local
16 agency shall bear the burden of proof that the required item is
17 listed on the submittal requirement checklist.

18 (ii) In a subsequent review of an application pursuant to Section
19 65943, requests the applicant provide new information that was
20 not identified in the initial determination and upholds this
21 determination in the final written determination on an appeal filed
22 pursuant to subdivision (c) of Section 65943. The local agency
23 shall bear the burden of proof that the required item was identified
24 in the initial determination.

25 (iii) Determines that an application for a housing development
26 project is incomplete pursuant to subdivision (a) or (b) of Section
27 65943, a reasonable person would conclude that the applicant has
28 submitted all of the items required on the local agency's submittal
29 requirement checklist, and the local agency upholds this
30 determination in the final written determination on an appeal filed
31 pursuant to subdivision (c) of Section 65943.

32 (iv) If a local agency determines that an application is
33 incomplete under Section 65943 after two resubmittals of the
34 application by the applicant, the local agency shall bear the burden
35 of establishing that the determination is not an effective disapproval
36 of a housing development project under this section.

37 (G) Violates subparagraph (D) or (E) of paragraph (6) of
38 subdivision (f).

39 (H) Makes a written determination that a preliminary application
40 described in subdivision (a) of Section 65941.1 has expired or that

1 the applicant has otherwise lost its vested rights under the
2 preliminary application for any reason other than those described
3 in subdivisions (c) and (d) of Section 65941.1.

4 (I) (i) Fails to make a determination of whether the project is
5 exempt from the California Environmental Quality Act (Division
6 13 (commencing with Section 21000) of the Public Resources
7 Code), or commits an abuse of discretion, as defined in subdivision
8 (b) of Section 65589.5.1 if all of the conditions in Section
9 65589.5.1 are satisfied.

10 (ii) This subparagraph shall become inoperative on January 1,
11 2031.

12 (J) (i) Fails to adopt a negative declaration or addendum for
13 the project, to certify an environmental impact report for the
14 project, or to approve another comparable environmental document,
15 such as a sustainable communities environmental assessment
16 pursuant to Section 21155.2 of the Public Resources Code, as
17 required pursuant to the California Environmental Quality Act
18 (Division 13 (commencing with Section 21000) of the Public
19 Resources Code), if all of the conditions in Section 65589.5.2 are
20 satisfied.

21 (ii) This subparagraph shall become inoperative on January 1,
22 2031.

23 (7) (A) For purposes of this section and Sections 65589.5.1 and
24 65589.5.2, “lawful determination” means any final decision about
25 whether to approve or disapprove a statutory or categorical
26 exemption or a negative declaration, addendum, environmental
27 impact report, or comparable environmental review document
28 under the California Environmental Quality Act (Division 13
29 (commencing with Section 21000) of the Public Resources Code)
30 that is not an abuse of discretion, as defined in subdivision (b) of
31 Section 65589.5.1 or subdivision (b) of Section 65589.5.2.

32 (B) This paragraph shall become inoperative on January 1, 2031.

33 (8) “Lower density” includes any conditions that have the same
34 effect or impact on the ability of the project to provide housing.

35 (9) “Objective” means involving no personal or subjective
36 judgment by a public official and being uniformly verifiable by
37 reference to an external and uniform benchmark or criterion
38 available and knowable by both the development applicant or
39 proponent and the public official.

1 (10) Notwithstanding any other law, “determined to be
2 complete” means that the applicant has submitted a complete
3 application pursuant to Section 65943.

4 (11) “Builder’s remedy project” means a project that meets all
5 of the following criteria:

6 (A) The project is a housing development project that provides
7 housing for very low, low-, or moderate-income households.

8 (B) On or after the date an application for the housing
9 development project or emergency shelter was deemed complete,
10 the jurisdiction did not have a housing element that was in
11 substantial compliance with this article.

12 (C) The project has a density such that the number of units, as
13 calculated before the application of a density bonus pursuant to
14 Section 65915, complies with all of the following conditions:

15 (i) The density does not exceed the greatest of the following
16 densities:

17 (I) Fifty percent greater than the minimum density deemed
18 appropriate to accommodate housing for that jurisdiction as
19 specified in subparagraph (B) of paragraph (3) of subdivision (c)
20 of Section 65583.2.

21 (II) Three times the density allowed by the general plan, zoning
22 ordinance, or state law, whichever is greater.

23 (III) The density that is consistent with the density specified in
24 the housing element.

25 (ii) Notwithstanding clause (i), the greatest allowable density
26 shall be 35 units per acre more than the amount allowable pursuant
27 to clause (i), if any portion of the site is located within any of the
28 following:

29 (I) One-half mile of a major transit stop, as defined in Section
30 21064.3 of the Public Resources Code.

31 (II) A very low vehicle travel area, as defined in subdivision
32 (h).

33 (III) A high or highest resource census tract, as identified by
34 the latest edition of the “CTCAC/HCD Opportunity Map”
35 published by the California Tax Credit Allocation Committee and
36 the Department of Housing and Community Development.

37 (D) (i) On sites that have a minimum density requirement and
38 are located within one-half mile of a commuter rail station or a
39 heavy rail station, the density of the project shall not be less than
40 the minimum density required on the site.

1 (I) For purposes of this subparagraph, “commuter rail” means
2 a railway that is not a light rail, streetcar, trolley, or tramway and
3 that is for urban passenger train service consisting of local short
4 distance travel operating between a central city and adjacent suburb
5 with service operated on a regular basis by or under contract with
6 a transit operator for the purpose of transporting passengers within
7 urbanized areas, or between urbanized areas and outlying areas,
8 using either locomotive-hauled or self-propelled railroad passenger
9 cars, with multitrip tickets and specific station-to-station fares.

10 (II) For purposes of this subparagraph, “heavy rail” means an
11 electric railway with the capacity for a heavy volume of traffic
12 using high speed and rapid acceleration passenger rail cars
13 operating singly or in multicar trains on fixed rails, separate
14 rights-of-way from which all other vehicular and foot traffic are
15 excluded, and high platform loading.

16 (ii) On all other sites with a minimum density requirement, the
17 density of the project shall not be less than the local agency’s
18 minimum density or one-half of the minimum density deemed
19 appropriate to accommodate housing for that jurisdiction as
20 specified in subparagraph (B) of paragraph (3) of subdivision (c)
21 of Section 65583.2, whichever is lower.

22 (E) The project site does not abut a site where more than
23 one-third of the square footage on the site has been used, within
24 the past three years, by a heavy industrial use, or a Title V
25 industrial use, as those terms are defined in Section 65913.16.

26 (12) “Condition approval” includes imposing on the housing
27 development project, or attempting to subject it to, development
28 standards, conditions, or policies.

29 (13) “Unit type” means the form of ownership and the kind of
30 residential unit, including, but not limited to, single-family
31 detached, single-family attached, for-sale, rental, multifamily,
32 townhouse, condominium, apartment, manufactured homes and
33 mobilehomes, factory-built housing, and residential hotel.

34 (14) “Proposed by the applicant” means the plans and designs
35 as submitted by the applicant, including, but not limited to, density,
36 unit size, unit type, site plan, building massing, floor area ratio,
37 amenity areas, open space, parking, and ancillary commercial uses.

38 (i) If any city, county, or city and county denies approval or
39 imposes conditions, including design changes, lower density, or
40 a reduction of the percentage of a lot that may be occupied by a

1 building or structure under the applicable planning and zoning in
2 force at the time the housing development project's application is
3 complete, that have a substantial adverse effect on the viability or
4 affordability of a housing development for very low, low-, or
5 moderate-income households, and the denial of the development
6 or the imposition of conditions on the development is the subject
7 of a court action which challenges the denial or the imposition of
8 conditions, then the burden of proof shall be on the local legislative
9 body to show that its decision is consistent with the findings as
10 described in subdivision (d), and that the findings are supported
11 by a preponderance of the evidence in the record, and with the
12 requirements of subdivision (o).

13 (j) (1) When a proposed housing development project complies
14 with applicable, objective general plan, zoning, and subdivision
15 standards and criteria, including design review standards, in effect
16 at the time that the application was deemed complete, but the local
17 agency proposes to disapprove the project or to impose a condition
18 that the project be developed at a lower density, the local agency
19 shall base its decision regarding the proposed housing development
20 project upon written findings supported by a preponderance of the
21 evidence on the record that both of the following conditions exist:

22 (A) The housing development project would have a specific,
23 adverse impact upon the public health or safety unless the project
24 is disapproved or approved upon the condition that the project be
25 developed at a lower density. As used in this paragraph, a "specific,
26 adverse impact" means a significant, quantifiable, direct, and
27 unavoidable impact, based on objective, identified written public
28 health or safety standards, policies, or conditions as they existed
29 on the date the application was deemed complete.

30 (B) There is no feasible method to satisfactorily mitigate or
31 avoid the adverse impact identified pursuant to paragraph (1), other
32 than the disapproval of the housing development project or the
33 approval of the project upon the condition that it be developed at
34 a lower density.

35 (2) (A) If the local agency considers a proposed housing
36 development project to be inconsistent, not in compliance, or not
37 in conformity with an applicable plan, program, policy, ordinance,
38 standard, requirement, or other similar provision as specified in
39 this subdivision, it shall provide the applicant with written
40 documentation identifying the provision or provisions, and an

1 explanation of the reason or reasons it considers the housing
2 development to be inconsistent, not in compliance, or not in
3 conformity as follows:

4 (i) Within 30 days of the date that the application for the housing
5 development project is determined to be complete, if the housing
6 development project contains 150 or fewer housing units.

7 (ii) Within 60 days of the date that the application for the
8 housing development project is determined to be complete, if the
9 housing development project contains more than 150 units.

10 (B) If the local agency fails to provide the required
11 documentation pursuant to subparagraph (A), the housing
12 development project shall be deemed consistent, compliant, and
13 in conformity with the applicable plan, program, policy, ordinance,
14 standard, requirement, or other similar provision.

15 (3) For purposes of this section, the receipt of a density bonus,
16 incentive, concession, waiver, or reduction of development
17 standards pursuant to Section 65915 shall not constitute a valid
18 basis on which to find a proposed housing development project is
19 inconsistent, not in compliance, or not in conformity, with an
20 applicable plan, program, policy, ordinance, standard, requirement,
21 or other similar provision specified in this subdivision.

22 (4) For purposes of this section, a proposed housing development
23 project is not inconsistent with the applicable zoning standards
24 and criteria, and shall not require a rezoning, if the housing
25 development project is consistent with the objective general plan
26 standards and criteria but the zoning for the project site is
27 inconsistent with the general plan. If the local agency has complied
28 with paragraph (2), the local agency may require the proposed
29 housing development project to comply with the objective
30 standards and criteria of the zoning which is consistent with the
31 general plan, however, the standards and criteria shall be applied
32 to facilitate and accommodate development at the density allowed
33 on the site by the general plan and proposed by the proposed
34 housing development project.

35 (k) (1) (A) (i) The applicant, a person who would be eligible
36 to apply for residency in the housing development project or
37 emergency shelter, or a housing organization may bring an action
38 to enforce this section. If, in any action brought to enforce this
39 section, a court finds that any of the following are met, the court
40 shall issue an order pursuant to clause (ii):

(I) The local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section.

(II) The local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section.

(III) The local agency, in violation of subdivision (o), required or attempted to require a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a preliminary application was submitted.

(IV) The local agency violated a provision of this section applicable to a builder's remedy project.

(ii) If the court finds that one of the conditions in clause (i) is met, the court shall issue an order or judgment compelling compliance with this section within a time period not to exceed 60 days, including, but not limited to, an order that the local agency take action on the housing development project or emergency shelter. The court may issue an order or judgment directing the local agency to approve the housing development project or emergency shelter if the court finds that the local agency acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner, provided, however, that the court shall not award attorney's fees in either of the following instances:

(I) The court finds, under extraordinary circumstances, that awarding fees would not further the purposes of this section.

(II) (ia) In a case concerning a disapproval within the meaning of subparagraph (I) or (J) of paragraph (6) of subdivision (h), the court finds that the local agency acted in good faith and had reasonable cause to disapprove the housing development project due to the existence of a controlling question of law about the application of the California Environmental Quality Act (Division

1 13 (commencing with Section 21000) of the Public Resources
2 Code) or implementing guidelines as to which there was a
3 substantial ground for difference of opinion at the time of the
4 disapproval.

5 (ib) This subclause shall become inoperative on January 1, 2031.

6 (B) Upon a determination that the local agency has failed to
7 comply with the order or judgment compelling compliance with
8 this section within the time period prescribed by the court, the
9 court shall impose fines on a local agency that has violated this
10 section and require the local agency to deposit any fine levied
11 pursuant to this subdivision into a local housing trust fund. The
12 local agency may elect to instead deposit the fine into the Building
13 Homes and Jobs Trust Fund. The fine shall be in a minimum
14 amount of ten thousand dollars (\$10,000) per housing unit in the
15 housing development project on the date the application was
16 deemed complete pursuant to Section 65943. In determining the
17 amount of the fine to impose, the court shall consider the local
18 agency's progress in attaining its target allocation of the regional
19 housing need pursuant to Section 65584 and any prior violations
20 of this section. Fines shall not be paid out of funds already
21 dedicated to affordable housing, including, but not limited to, Low
22 and Moderate Income Housing Asset Funds, funds dedicated to
23 housing for very low, low-, and moderate-income households, and
24 federal HOME Investment Partnerships Program and Community
25 Development Block Grant Program funds. The local agency shall
26 commit and expend the money in the local housing trust fund
27 within five years for the sole purpose of financing newly
28 constructed housing units affordable to extremely low, very low,
29 or low-income households. After five years, if the funds have not
30 been expended, the money shall revert to the state and be deposited
31 in the Building Homes and Jobs Trust Fund for the sole purpose
32 of financing newly constructed housing units affordable to
33 extremely low, very low, or low-income households.

34 (C) If the court determines that its order or judgment has not
35 been carried out within 60 days, the court may issue further orders
36 as provided by law to ensure that the purposes and policies of this
37 section are fulfilled, including, but not limited to, an order to vacate
38 the decision of the local agency and to approve the housing
39 development project, in which case the application for the housing
40 development project, as proposed by the applicant at the time the

1 local agency took the initial action determined to be in violation
2 of this section, along with any standard conditions determined by
3 the court to be generally imposed by the local agency on similar
4 projects, shall be deemed to be approved unless the applicant
5 consents to a different decision or action by the local agency.

6 (D) Nothing in this section shall limit the court's inherent
7 authority to make any other orders to compel the immediate
8 enforcement of any writ brought under this section, including the
9 imposition of fees and other sanctions set forth under Section 1097
10 of the Code of Civil Procedure.

11 (2) For purposes of this subdivision, "housing organization"
12 means a trade or industry group whose local members are primarily
13 engaged in the construction or management of housing units or a
14 nonprofit organization whose mission includes providing or
15 advocating for increased access to housing for low-income
16 households and have filed written or oral comments with the local
17 agency prior to action on the housing development project. A
18 housing organization may only file an action pursuant to this
19 section to challenge the disapproval of a housing development by
20 a local agency. A housing organization shall be entitled to
21 reasonable attorney's fees and costs if it is the prevailing party in
22 an action to enforce this section.

23 (I) If the court finds that the local agency (1) acted in bad faith
24 when it violated this section and (2) failed to carry out the court's
25 order or judgment within the time period prescribed by the court,
26 the court, in addition to any other remedies provided by this
27 section, shall multiply the fine determined pursuant to subparagraph
28 (B) of paragraph (1) of subdivision (k) by a factor of five. If a court
29 has previously found that the local agency violated this section
30 within the same planning period, the court shall multiply the fines
31 by an additional factor for each previous violation. For purposes
32 of this section, "bad faith" includes, but is not limited to, an action
33 or inaction that is frivolous, pretextual, intended to cause
34 unnecessary delay, or entirely without merit.

35 (m) (1) Any action brought to enforce the provisions of this
36 section shall be brought pursuant to Section 1094.5 of the Code
37 of Civil Procedure, and the local agency shall prepare and certify
38 the record of proceedings in accordance with subdivision (c) of
39 Section 1094.6 of the Code of Civil Procedure no later than 30
40 days after the petition is served, provided that the cost of

1 preparation of the record shall be borne by the local agency, unless
2 the petitioner elects to prepare the record as provided in subdivision
3 (n) of this section. A petition to enforce the provisions of this
4 section shall be filed and served no later than 90 days from the
5 later of (1) the effective date of a decision of the local agency
6 imposing conditions on, disapproving, or any other final action on
7 a housing development project or (2) the expiration of the time
8 periods specified in subparagraph (B) of paragraph (5) of
9 subdivision (h). Upon entry of the trial court's order, a party may,
10 in order to obtain appellate review of the order, file a petition
11 within 20 days after service upon it of a written notice of the entry
12 of the order, or within such further time not exceeding an additional
13 20 days as the trial court may for good cause allow, or may appeal
14 the judgment or order of the trial court under Section 904.1 of the
15 Code of Civil Procedure. If the local agency appeals the judgment
16 of the trial court, the local agency shall post a bond, in an amount
17 to be determined by the court, to the benefit of the plaintiff if the
18 plaintiff is the project applicant.

19 (2) (A) A disapproval within the meaning of subparagraph (I)
20 of paragraph (6) of subdivision (h) shall be final for purposes of
21 this subdivision, if the local agency did not make a lawful
22 determination within the time period set forth in paragraph (5) of
23 subdivision (a) of Section 65589.5.1 after the applicant's timely
24 written notice.

25 (B) This paragraph shall become inoperative on January 1, 2031.

26 (3) (A) A disapproval within the meaning of subparagraph (J)
27 of paragraph (6) of subdivision (h) shall be final for purposes of
28 this subdivision, if the local agency did not make a lawful
29 determination within 90 days of the applicant's timely written
30 notice.

31 (B) This paragraph shall become inoperative on January 1, 2031.

32 (n) In any action, the record of the proceedings before the local
33 agency shall be filed as expeditiously as possible and,
34 notwithstanding Section 1094.6 of the Code of Civil Procedure or
35 subdivision (m) of this section, all or part of the record may be
36 prepared (1) by the petitioner with the petition or petitioner's points
37 and authorities, (2) by the respondent with respondent's points and
38 authorities, (3) after payment of costs by the petitioner, or (4) as
39 otherwise directed by the court. If the expense of preparing the

1 record has been borne by the petitioner and the petitioner is the
2 prevailing party, the expense shall be taxable as costs.

3 (o) (1) Subject to paragraphs (2), (6), and (7), and subdivision
4 (d) of Section 65941.1, a housing development project shall be
5 subject only to the ordinances, policies, and standards adopted and
6 in effect when a preliminary application including all of the
7 information required by subdivision (a) of Section 65941.1 was
8 submitted.

9 (2) Paragraph (1) shall not prohibit a housing development
10 project from being subject to ordinances, policies, and standards
11 adopted after the preliminary application was submitted pursuant
12 to Section 65941.1 in the following circumstances:

13 (A) In the case of a fee, charge, or other monetary exaction, to
14 an increase resulting from an automatic annual adjustment based
15 on an independently published cost index that is referenced in the
16 ordinance or resolution establishing the fee or other monetary
17 exaction.

18 (B) A preponderance of the evidence in the record establishes
19 that subjecting the housing development project to an ordinance,
20 policy, or standard beyond those in effect when a preliminary
21 application was submitted is necessary to mitigate or avoid a
22 specific, adverse impact upon the public health or safety, as defined
23 in subparagraph (A) of paragraph (1) of subdivision (j), and there
24 is no feasible alternative method to satisfactorily mitigate or avoid
25 the adverse impact.

26 (C) Subjecting the housing development project to an ordinance,
27 policy, standard, or any other measure, beyond those in effect when
28 a preliminary application was submitted is necessary to avoid or
29 substantially lessen an impact of the project under the California
30 Environmental Quality Act (Division 13 (commencing with Section
31 21000) of the Public Resources Code).

32 (D) The housing development project has not commenced
33 construction within two and one-half years, or three and one-half
34 years for an affordable housing project, following the date that the
35 project received final approval. For purposes of this subparagraph:

36 (i) “Affordable housing project” means a housing development
37 that satisfies both of the following requirements:

38 (I) Units within the development are subject to a recorded
39 affordability restriction for at least 55 years for rental housing and
40 45 years for owner-occupied housing, or the first purchaser of each

1 unit participates in an equity sharing agreement as described in
2 subparagraph (C) of paragraph (2) of subdivision (c) of Section
3 65915.

4 (II) All of the units within the development, excluding managers'
5 units, are dedicated to lower income households, as defined by
6 Section 50079.5 of the Health and Safety Code.

7 (ii) "Final approval" means that the housing development project
8 has received all necessary approvals to be eligible to apply for,
9 and obtain, a building permit or permits and either of the following
10 is met:

11 (I) The expiration of all applicable appeal periods, petition
12 periods, reconsideration periods, or statute of limitations for
13 challenging that final approval without an appeal, petition, request
14 for reconsideration, or legal challenge having been filed.

15 (II) If a challenge is filed, that challenge is fully resolved or
16 settled in favor of the housing development project.

17 (E) The housing development project is revised following
18 submittal of a preliminary application pursuant to Section 65941.1
19 such that the number of residential units or square footage of
20 construction changes by 20 percent or more, exclusive of any
21 increase resulting from the receipt of a density bonus, incentive,
22 concession, waiver, or similar provision, including any other locally
23 authorized program that offers additional density or other
24 development bonuses when affordable housing is provided. For
25 purposes of this subdivision, "square footage of construction"
26 means the building area, as defined by the California Building
27 Standards Code (Title 24 of the California Code of Regulations).

28 (3) This subdivision does not prevent a local agency from
29 subjecting the additional units or square footage of construction
30 that result from project revisions occurring after a preliminary
31 application is submitted pursuant to Section 65941.1 to the
32 ordinances, policies, and standards adopted and in effect when the
33 preliminary application was submitted.

34 (4) For purposes of this subdivision, "ordinances, policies, and
35 standards" includes general plan, community plan, specific plan,
36 zoning, design review standards and criteria, subdivision standards
37 and criteria, and any other rules, regulations, requirements, and
38 policies of a local agency, as defined in Section 66000, including
39 those relating to development impact fees, capacity or connection
40 fees or charges, permit or processing fees, and other exactions.

(5) This subdivision shall not be construed in a manner that would lessen the restrictions imposed on a local agency, or lessen the protections afforded to a housing development project, that are established by any other law, including any other part of this section.

(6) This subdivision shall not restrict the authority of a public agency or local agency to require mitigation measures to lessen the impacts of a housing development project under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(7) With respect to completed residential units for which the project approval process is complete and a certificate of occupancy has been issued, nothing in this subdivision shall limit the application of later enacted ordinances, policies, and standards that regulate the use and occupancy of those residential units, such as ordinances relating to rental housing inspection, rent stabilization, restrictions on short-term renting, and business licensing requirements for owners of rental housing.

(p) (1) Upon any motion for an award of attorney's fees pursuant to Section 1021.5 of the Code of Civil Procedure, in a case challenging a local agency's approval of a housing development project, a court, in weighing whether a significant benefit has been conferred on the general public or a large class of persons and whether the necessity of private enforcement makes the award appropriate, shall give due weight to the degree to which the local agency's approval furthers policies of this section, including, but not limited to, subdivisions (a), (b), and (c), the suitability of the site for a housing development, and the reasonableness of the decision of the local agency. It is the intent of the Legislature that attorney's fees and costs shall rarely, if ever, be awarded if a local agency, acting in good faith, approved a housing development project that satisfies conditions established in paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.1 or paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.2.

(2) This subdivision shall become inoperative on January 1, 2031.

(q) This section shall be known, and may be cited, as the Housing Accountability Act.

(r) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall

1 not affect other provisions or applications that can be given effect
2 without the invalid provision or application.

3 SEC. 12. Section 65905.5 of the Government Code is amended
4 to read:

5 65905.5. (a) Notwithstanding any other law, if a proposed
6 housing development project complies with the applicable,
7 objective general plan and zoning standards in effect at the time
8 an application is deemed complete, after the application is deemed
9 complete, a city, county, or city and county shall not conduct more
10 than five hearings pursuant to Section 65905, or any other law,
11 ordinance, or regulation requiring a public hearing in connection
12 with the approval of that housing development project. If the city,
13 county, or city and county continues a hearing subject to this
14 section to another date, the continued hearing shall count as one
15 of the five hearings allowed under this section. The city, county,
16 or city and county shall consider and either approve or disapprove
17 the application at any of the five hearings allowed under this
18 section consistent with the applicable timelines under the Permit
19 Streamlining Act (Chapter 4.5 (commencing with Section 65920)).

20 (b) For purposes of this section:

21 (1) “Deemed complete” means that the application has met all
22 of the requirements specified in the relevant list compiled pursuant
23 to Section 65940 that was available at the time when the application
24 was submitted.

25 (2) “Hearing” includes any public hearing, workshop, or similar
26 meeting, including any appeal, conducted by the city or county
27 with respect to the housing development project, including any
28 meeting relating to Section 65915, whether by the legislative body
29 of the city or county, the planning agency established pursuant to
30 Section 65100, or any other agency, department, board,
31 commission, or any other designated hearing officer or body of
32 the city or county, or any committee or subcommittee thereof.
33 “Hearing” does not include a hearing to review a legislative
34 approval, including any appeal, required for a proposed housing
35 development project, including, but not limited to, a general plan
36 amendment, a specific plan adoption or amendment, or a zoning
37 amendment, or any hearing arising from a timely appeal of the
38 approval or disapproval of a legislative approval.

39 (3) (A) “Housing development project” has the same meaning
40 as defined in paragraph (2) of subdivision (h) of Section 65589.5.

1 (B) “Housing development project” includes, but is not limited
2 to, projects that involve no discretionary approvals and projects
3 that involve both discretionary and nondiscretionary approvals.

4 (C) “Housing development project” includes a proposal to
5 construct a single dwelling unit. This subparagraph shall not affect
6 the interpretation of the scope of paragraph (2) of subdivision (h)
7 of Section 65589.5.

8 (c) (1) For purposes of this section, a housing development
9 project shall be deemed consistent, compliant, and in conformity
10 with an applicable plan, program, policy, ordinance, standard,
11 requirement, or other similar provision if there is substantial
12 evidence that would allow a reasonable person to conclude that
13 the housing development project is consistent, compliant, or in
14 conformity. The receipt of a density bonus including any
15 incentives, concessions, or waivers pursuant to Section 65915 shall
16 not constitute a valid basis on which to find that a proposed housing
17 development project is inconsistent, not in compliance, or not in
18 conformity, with an applicable plan, program, policy, ordinance,
19 standard, requirement, or other similar provision.

20 (2) A proposed housing development project is not inconsistent
21 with the applicable zoning standards and criteria, and shall not
22 require a rezoning, if the housing development project is consistent
23 with the objective general plan standards and criteria, but the
24 zoning for the project site is inconsistent with the general plan. If
25 the local agency complies with the written documentation
26 requirements of paragraph (2) of subdivision (j) of Section 65589.5,
27 the local agency may require the proposed housing development
28 project to comply with the objective standards and criteria of the
29 zoning that is consistent with the general plan; however, the
30 standards and criteria shall be applied to facilitate and
31 accommodate development at the density allowed on the site by
32 the general plan and proposed by the proposed housing
33 development project.

34 (d) Nothing in this section supersedes, limits, or otherwise
35 modifies the requirements of, or the standards of review pursuant
36 to, Division 13 (commencing with Section 21000) of the Public
37 Resources Code.

38 (e) The amendments to subdivisions (b) and (c) made by the
39 act adding this subdivision do not constitute a change in, but are
40 declaratory of, existing law. However, the amendments to this

1 section in subparagraph (B) of paragraph (3) of subdivision (b)
2 shall not affect a project for which an application was submitted
3 to the city, county, or city and county before January 1, 2022.

4 SEC. 13. Section 65913.10 of the Government Code is amended
5 to read:

6 65913.10. (a) For purposes of any state or local law, ordinance,
7 or regulation that requires the city or county to determine whether
8 the site of a proposed housing development project is a historic
9 site, the city or county shall make that determination at the time
10 the application for the housing development project is deemed
11 complete. A determination as to whether a parcel of property is a
12 historic site shall remain valid during the pendency of the housing
13 development project for which the application was made unless
14 any archaeological, paleontological, or tribal cultural resources
15 are encountered during any grading, site disturbance, or building
16 alteration activities.

17 (b) For purposes of this section:

18 (1) “Deemed complete” means that the application has met all
19 of the requirements specified in the relevant list compiled pursuant
20 to Section 65940 that was available at the time when the application
21 was submitted.

22 (2) “Housing development project” has the same meaning as
23 defined in paragraph (3) of subdivision (b) of Section 65905.5.

24 (c) (1) Nothing in this section supersedes, limits, or otherwise
25 modifies the requirements of, or the standards of review pursuant
26 to, Division 13 (commencing with Section 21000) of the Public
27 Resources Code.

28 (2) Nothing in this section supersedes, limits, or otherwise
29 modifies the requirements of the California Coastal Act of 1976
30 (Division 20 (commencing with Section 30000) of the Public
31 Resources Code).

32 SEC. 14. Section 65913.16 of the Government Code is amended
33 to read:

34 65913.16. (a) This section shall be known, and may be cited,
35 as the Affordable Housing on Faith and Higher Education Lands
36 Act of 2023.

37 (b) For purposes of this section:

38 (1) “Applicant” means a qualified developer who submits an
39 application for streamlined approval pursuant to this section.

1 (2) “Development proponent” means a developer that submits
2 a housing development project application to a local government
3 under the streamlined, ministerial review process pursuant to this
4 chapter.

5 (3) “Health care expenditures” include contributions pursuant
6 to Section 501(c) or (d) or 401(a) of the Internal Revenue Code
7 and payments toward “medical care” as defined in Section
8 213(d)(1) of the Internal Revenue Code.

9 (4) “Heavy industrial use” means a use that is a source, other
10 than a Title V source, as defined by Section 39053.5 of the Health
11 and Safety Code, that is subject to permitting by a district, as
12 defined in Section 39025 of the Health and Safety Code, pursuant
13 to Division 26 (commencing with Section 39000) of the Health
14 and Safety Code or the federal Clean Air Act (42 U.S.C. Sec. 7401
15 et seq.). A use where the only source permitted by a district is an
16 emergency backup generator, and the source is in compliance with
17 permitted emissions and operating limits, is not a heavy industrial
18 use.

19 (5) “Housing development project” has the same meaning as
20 defined in Section 65589.5.

21 (6) “Independent institution of higher education” has the same
22 meaning as defined in Section 66010 of the Education Code.

23 (7) “Light industrial use” means an industrial use that is not
24 subject to permitting by a district, as defined in Section 39025 of
25 the Health and Safety Code.

26 (8) “Local government” means a city, including a charter city,
27 county, including a charter county, or city and county, including
28 a charter city and county.

29 (9) “Qualified developer” means any of the following:

30 (A) A local public entity, as defined in Section 50079 of the
31 Health and Safety Code.

32 (B) (i) A developer that is a nonprofit corporation, a limited
33 partnership in which a managing general partner is a nonprofit
34 corporation, or a limited liability company in which a managing
35 member is a nonprofit corporation.

36 (ii) The developer, at the time of submission of an application
37 for development pursuant to this section, owns property or manages
38 housing units located on property that is exempt from taxation
39 pursuant to the welfare exemption established in subdivision (a)
40 of Section 214 of the Revenue and Taxation Code.

1 (C) A developer that contracts with a nonprofit corporation that
2 has received a welfare exemption under Section 214.15 of the
3 Revenue and Taxation Code for properties intended to be sold to
4 low-income families with financing in the form of zero interest
5 rate loans.

6 (D) A developer that the religious institution or independent
7 institution of education, as defined in this section, has contracted
8 with before to construct housing or other improvements to real
9 property.

10 (10) “Religious institution” means an institution owned,
11 controlled, and operated and maintained by a bona fide church,
12 religious denomination, or religious organization composed of
13 multid denominational members of the same well-recognized
14 religion, lawfully operating as a nonprofit religious corporation
15 pursuant to Part 4 (commencing with Section 9110), or as a
16 corporation sole pursuant to Part 6 (commencing with Section
17 10000), of Division 2 of Title 1 of the Corporations Code.

18 (11) “Title V industrial use” means a use that is a Title V source,
19 as defined in Section 39053.5 of the Health and Safety Code.

20 (12) “Use by right” means a development project that satisfies
21 both of the following conditions:

22 (A) The development project does not require a conditional use
23 permit, planned unit development permit, or other discretionary
24 local government review.

25 (B) The development project is not a “project” for purposes of
26 Division 13 (commencing with Section 21000) of the Public
27 Resources Code.

28 (c) Notwithstanding any inconsistent provision of a local
29 government’s general plan, specific plan, zoning ordinance, or
30 regulation, upon the request of an applicant, a housing development
31 project shall be a use by right, if all of the following criteria are
32 satisfied:

33 (1) The development is located on land owned on or before
34 January 1, 2024, by an independent institution of higher education
35 or a religious institution, including ownership through an affiliated
36 or associated nonprofit public benefit corporation organized
37 pursuant to the Nonprofit Corporation Law (Part 2 (commencing
38 with Section 5110) of Division 2 of Title 1 of the Corporations
39 Code).

1 (2) The development is located on a parcel that satisfies the
2 requirements specified in subparagraphs (A) and (B) of paragraph
3 (2) of subdivision (a) of Section 65913.4.

4 (3) The development is located on a parcel that satisfies the
5 requirements specified in subparagraphs (B) to (K), inclusive, of
6 paragraph (6) of subdivision (a) of Section 65913.4.

7 (4) The development is located on a parcel that satisfies the
8 requirements specified in paragraph (7) of subdivision (a) of
9 Section 65913.4.

10 (5) (A) The development is not adjoined to any site where more
11 than one-third of the square footage on the site is dedicated to light
12 industrial use. For purposes of this subdivision, parcels separated
13 by only a street or highway shall be considered to be adjoined.

14 (B) For purposes of subparagraph (A), a property is “dedicated
15 to light industrial use” if all of the following requirements are met:

16 (i) The square footage is currently being put to a light industrial
17 use.

18 (ii) The most recently permitted use of the square footage is a
19 light industrial use.

20 (iii) The latest version of the local government’s general plan,
21 adopted before January 1, 2022, designates the property for light
22 industrial use.

23 (6) The housing units on the development site are not located
24 within 1,200 feet of a site that is either of the following:

25 (A) A site that is currently a heavy industrial use.

26 (B) A site where the most recent permitted use was a heavy
27 industrial use.

28 (7) Except as provided in paragraph (8), the housing units on
29 the development site are not located within 1,600 feet of a site that
30 is either of the following:

31 (A) A site that is currently a Title V industrial use.

32 (B) A site where the most recent permitted use was a Title V
33 industrial use.

34 (8) For a site where multifamily housing is not an existing
35 permitted use, the housing units on the development site are not
36 located within 3,200 feet of a facility that actively extracts or
37 refines oil or natural gas.

38 (9) One hundred percent of the development project’s total units,
39 exclusive of a manager’s unit or units, are for lower income
40 households, as defined by Section 50079.5 of the Health and Safety

Code, except that up to 20 percent of the total units in the development may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code, and 5 percent of the units may be for staff of the independent institution of higher education or religious institution that owns the land. Units in the development shall be offered at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or at affordable rent, as set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee. The rent or sales price for a moderate-income unit shall be affordable and shall not exceed 30 percent of income for a moderate-income household or homebuyer for a unit of similar size and bedroom count in the same ZIP Code in the city, county, or city and county in which the housing development is located. The applicant shall provide the city, county, or city and county with evidence to establish that the units meet the requirements of this paragraph. All units, exclusive of any manager unit or units, shall be subject to a recorded deed restriction as provided in this paragraph for at least the following periods of time:

(A) Fifty-five years for units that are rented unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires, as a condition of the development of residential units, that the development include a certain percentage of units that are affordable to, and occupied by, low-income, lower income, very low income, or extremely low income households for a term that exceeds 55 years for rental housing units.

(B) Forty-five years for units that are owner-occupied or the first purchaser of each unit participates in an equity sharing agreement as described in subparagraph (C) of paragraph (2) of subdivision (c) of Section 65915.

(10) The development project complies with all objective development standards of the city or county that are not in conflict with this section.

(11) If the housing development project requires the demolition of existing residential dwelling units, or is located on a site where residential dwelling units have been demolished within the last five years, the applicant shall comply with subdivision (d) of Section 66300.

1 (12) The applicant certifies to the local government that either
2 of the following is true for the housing development project, as
3 applicable:

4 (A) The entirety of the development project is a public work
5 for purposes of Chapter 1 (commencing with Section 1720) of Part
6 7 of Division 2 of the Labor Code.

7 (B) A development that contains more than 10 units and is not
8 in its entirety a public work for purposes of Chapter 1 (commencing
9 with Section 1720) of Part 7 of Division 2 of the Labor Code and
10 approved by a local government pursuant to Article 2 (commencing
11 with Section 65912.110) of, or Article 3 (commencing with Section
12 65912.120) of, Chapter 4.1 shall be subject to all of the following:

13 (i) All construction workers employed in the execution of the
14 development shall be paid at least the general prevailing rate of
15 per diem wages for the type of work and geographic area, as
16 determined by the Director of Industrial Relations pursuant to
17 Sections 1773 and 1773.9 of the Labor Code, except that
18 apprentices registered in programs provided by the Chief of the
19 Division of Apprenticeship Standards may be paid at least the
20 applicable apprentice prevailing rate.

21 (ii) The development proponent shall ensure that the prevailing
22 wage requirement is included in all contracts for the performance
23 of the work, and shall also provide notice of all contracts for the
24 performance of the work to the Department of Industrial Relations,
25 in accordance with Section 1773.35 of the Labor Code, for those
26 portions of the development that are not a public work.

27 (iii) All contractors and subcontractors for those portions of the
28 development that are not a public work shall comply with all of
29 the following:

30 (I) Pay to all construction workers employed in the execution
31 of the work at least the general prevailing rate of per diem wages,
32 except that apprentices registered in the programs approved by the
33 Chief of the Division of Apprenticeship Standards may be paid at
34 least the applicable apprentice prevailing rate.

35 (II) Maintain and verify payroll records pursuant to Section
36 1776 of the Labor Code and make those records available for
37 inspection and copying as provided in that section. This subclause
38 does not apply if all contractors and subcontractors performing
39 work on the development are subject to a project labor agreement
40 that requires the payment of prevailing wages to all construction

workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subclause, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(III) Be registered in accordance with Section 1725.6 of the Labor Code.

(13) (A) The development proponent completes a Phase I environmental assessment, as defined in Section 78090 of the Health and Safety Code, and a Phase II environmental assessment, as defined in subdivision (o) of Section 25403 of the Health and Safety Code, if warranted.

(B) If a recognized environmental condition is found, the development proponent shall undertake a preliminary endangerment assessment, as defined in Section 78095 of the Health and Safety Code, prepared by an environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity.

(i) If a release of hazardous substance is found to exist on the site, the release shall be removed, or any significant effect of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.

(ii) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with current state and federal requirements.

(14) If the development is within 500 feet of a freeway, regularly occupied areas of the building shall provide air filtration media for outside and return air that provide a minimum efficiency reporting value (MERV) of 13.

(15) For a vacant site, the site does not contain tribal cultural resources, as defined in Section 21074 of the Public Resources Code, that could be affected by the development that were found pursuant to a consultation as described in Section 21080.3.1 of the Public Resources Code, and the effects of which cannot be mitigated pursuant to the process described in Section 21080.3.2 of the Public Resources Code.

1 (d) (1) The obligation of the contractors and subcontractors to
2 pay prevailing wages pursuant to this section may be enforced by
3 any of the following:

4 (A) The Labor Commissioner, through the issuance of a civil
5 wage and penalty assessment pursuant to Section 1741 of the Labor
6 Code, that may be reviewed pursuant to Section 1742 of the Labor
7 Code, within 18 months after the completion of the development.

8 (B) An underpaid worker through an administrative complaint
9 or civil action.

10 (C) A joint labor-management committee through a civil action
11 pursuant to Section 1771.2 of the Labor Code.

12 (2) If a civil wage and penalty assessment is issued pursuant to
13 this section, the contractor, subcontractor, and surety on a bond or
14 bonds issued to secure the payment of wages covered by the
15 assessment shall be liable for liquidated damages pursuant to
16 Section 1742.1 of the Labor Code.

17 (3) This subdivision does not apply if all contractors and
18 subcontractors performing work on the development are subject
19 to a project labor agreement that requires the payment of prevailing
20 wages to all construction workers employed in the execution of
21 the development and provides for enforcement of that obligation
22 through an arbitration procedure. For purposes of this subdivision,
23 “project labor agreement” has the same meaning as set forth in
24 paragraph (1) of subdivision (b) of Section 2500 of the Public
25 Contract Code.

26 (e) Notwithstanding subdivision (c) of Section 1773.1 of the
27 Labor Code, the requirement that employer payments not reduce
28 the obligation to pay the hourly straight time or overtime wages
29 found to be prevailing does not apply to those portions of a
30 development that are not a public work if otherwise provided in a
31 bona fide collective bargaining agreement covering the worker.

32 (f) The requirement of this section to pay at least the general
33 prevailing rate of per diem wages does not preclude use of an
34 alternative workweek schedule adopted pursuant to Section 511
35 or 514 of the Labor Code.

36 (g) In addition to the requirements of paragraph (12) of
37 subdivision (c), and the requirements of subdivisions (d), (e), and
38 (f), a development of 50 or more housing units approved by a local
39 government pursuant to Article 2 (commencing with Section

65912.110) of, or Article 3 (commencing with Section 65912.120) of, Chapter 4.1 shall meet all of the following labor standards:

(1) The development proponent shall require in contracts with construction contractors and shall certify to the local government that each contractor of any tier who will employ construction craft employees or will let subcontracts for at least 1,000 hours shall satisfy the requirements in paragraphs (2) and (3). A construction contractor is deemed in compliance with paragraphs (2) and (3) if it is signatory to a valid collective bargaining agreement that requires use of registered apprentices and expenditures on health care for employees and dependents.

(2) A contractor with construction craft employees shall either participate in an apprenticeship program approved by the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code, or request the dispatch of apprentices from a state-approved apprenticeship program under the terms and conditions set forth in Section 1777.5 of the Labor Code. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subdivision.

(3) Each contractor with construction craft employees shall make health care expenditures for each employee in an amount per hour worked on the development equivalent to at least the hourly pro rata cost of a Covered California Platinum-level plan for two adults 40 years of age and two dependents 0 to 14 years of age for the Covered California rating area in which the development is located. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this paragraph. Qualifying expenditures shall be credited toward compliance with prevailing wage payment requirements set forth in Section 65912.130.

(4) (A) The development proponent shall provide to the local government, on a monthly basis while its construction contracts on the development are being performed, a report demonstrating compliance with paragraphs (2) and (3). The report shall be considered public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be open to public inspection.

(B) A development proponent that fails to provide the monthly report shall be subject to a civil penalty for each month for which the report has not been provided, in the amount of 10 percent of

1 the dollar value of construction work performed by that contractor
2 on the development in the month in question, up to a maximum
3 of ten thousand dollars (\$10,000). Any contractor or subcontractor
4 that fails to comply with paragraph (2) or (3) shall be subject to a
5 civil penalty of two hundred dollars (\$200) per day for each worker
6 employed in contravention of paragraph (2) or (3).

7 (C) Penalties may be assessed by the Labor Commissioner
8 within 18 months of completion of the development using the
9 procedures for issuance of civil wage and penalty assessments
10 specified in Section 1741 of the Labor Code, and may be reviewed
11 pursuant to Section 1742 of the Labor Code. Penalties shall be
12 deposited in the State Public Works Enforcement Fund established
13 pursuant to Section 1771.3 of the Labor Code.

14 (5) Each construction contractor shall maintain and verify
15 payroll records pursuant to Section 1776 of the Labor Code. Each
16 construction contractor shall submit payroll records directly to the
17 Labor Commissioner at least monthly in a format prescribed by
18 the Labor Commissioner in accordance with subparagraph (A) of
19 paragraph (3) of subdivision (a) of Section 1771.4 of the Labor
20 Code. The records shall include a statement of fringe benefits.
21 Upon request by a joint labor-management cooperation committee
22 established pursuant to the federal Labor Management Cooperation
23 Act of 1978 (29 U.S.C. Sec. 175a), the records shall be provided
24 pursuant to subdivision (e) of Section 1776 of the Labor Code.

25 (6) All construction contractors shall report any change in
26 apprenticeship program participation or health care expenditures
27 to the local government within 10 business days, and shall reflect
28 those changes on the monthly report. The reports shall be
29 considered public records pursuant to the California Public Records
30 Act (Division 10 (commencing with Section 7920.000 of Title 1))
31 and shall be open to public inspection.

32 (7) A joint labor-management cooperation committee established
33 pursuant to the federal Labor Management Cooperation Act of
34 1978 (29 U.S.C. Sec. 175a) shall have standing to sue a
35 construction contractor for failure to make health care expenditures
36 pursuant to paragraph (3) in accordance with Section 218.7 or
37 218.8 of the Labor Code.

38 (h) Notwithstanding any other provision of this section, a
39 development project that is eligible for approval as a use by right
40 pursuant to this section may include the following ancillary uses,

1 provided that those uses are limited to the ground floor of the
2 development:

3 (1) In a single-family residential zone, ancillary uses shall be
4 limited to childcare centers, without limitation on the number of
5 children, and facilities operated by community-based organizations
6 for the provision of recreational, social, or educational services
7 for use by the residents of the development and members of the
8 local community in which the development is located.

9 (2) In all other zones, the development may include the childcare
10 centers and facilities described in paragraph (1), as well as any
11 other commercial uses that are permitted without a conditional use
12 permit or planned unit development permit.

13 (i) Notwithstanding any other provision of this section, a
14 development project that is eligible for approval as a use by right
15 pursuant to this section includes any religious institutional use, or
16 any use that was previously existing and legally permitted by the
17 city or county on the site, if all of the following criteria are met:

18 (1) The total square footage of nonresidential space on the site
19 does not exceed the amount previously existing or permitted in a
20 conditional use permit.

21 (2) The new uses abide by the same operational conditions as
22 contained in the previous conditional use permit.

23 (j) A housing development project that qualifies as a use by
24 right pursuant to subdivision (b) shall be allowed the following
25 density, as applicable:

26 (1) (A) If the development project is located in a zone that
27 allows residential uses, including in single-family residential zones,
28 the development project shall be allowed a density of the applicable
29 density deemed appropriate to accommodate housing for lower
30 income households identified in subparagraph (B) of paragraph
31 (3) of subdivision (c) of Section 65583.2 and a height of one story
32 or 11 feet above the maximum height otherwise applicable to the
33 parcel.

34 (B) If the local government allows for greater residential density
35 on that parcel, or greater residential density or building heights on
36 an adjoining parcel, than permitted in subparagraph (A), the greater
37 density or building height shall apply, including a height of one
38 story or 11 feet above the maximum height otherwise applicable
39 to the parcel.

1 (C) A housing development project that is located in a zone that
2 allows residential uses, including in single-family residential zones,
3 shall be eligible for a density bonus, incentives, or concessions,
4 or waivers or reductions of development standards and parking
5 ratios, pursuant to Section 65915.

6 (2) (A) If the development project is located in a zone that does
7 not allow residential uses, the development project shall be allowed
8 a density of 40 units per acre and a height of one story or 11 feet
9 above the maximum height otherwise applicable to the parcel.

10 (B) If the local government allows for greater residential density
11 or building heights on that parcel, or an adjoining parcel, than
12 permitted in subparagraph (A), the greater density or building
13 height shall apply, including a height of one story or 11 feet above
14 the maximum height otherwise applicable to the parcel. A
15 development project shall not use an incentive, waiver, or
16 concession to increase the height of the development to greater
17 than the height authorized under this subparagraph.

18 (C) Except as provided in subparagraph (B), a housing
19 development project that is located in a zone that does not allow
20 residential uses shall be eligible for a density bonus, incentives,
21 or concessions, or waivers or reductions of development standards
22 and parking ratios, pursuant to Section 65915.

23 (k) (1) Except as provided in paragraph (2), the proposed
24 development, including any religious institutional use or any use
25 that was previously existing and legally permitted by the city or
26 county on the site pursuant to subdivision (j), shall provide
27 off-street parking of up to one space per unit, unless a state law or
28 local ordinance provides for a lower standard of parking, in which
29 case the law or ordinance shall apply.

30 (2) A local government shall not impose a parking requirement
31 if either of the following is true:

32 (A) The parcel is located within one-half mile walking distance
33 of public transit, either a high-quality transit corridor or a major
34 transit stop as defined in subdivision (b) of Section 21155 of the
35 Public Resources Code.

36 (B) There is a car share vehicle located within one block of the
37 parcel.

38 (l) (1) If the local government determines that the proposed
39 development is in conflict with any of the objective planning
40 standards specified in this section, it shall provide the development

1 proponent written documentation of which standard or standards
2 the development conflicts with, and an explanation for the reason
3 or reasons the development conflicts with that standard or
4 standards, within the following timeframes:

5 (A) Within 60 days of submittal of the development proposal
6 to the local government if the development contains 150 or fewer
7 housing units.

8 (B) Within 90 days of submittal of the development proposal
9 to the local government if the development contains more than
10 150 housing units.

11 (2) If the local government fails to provide the required
12 documentation pursuant to paragraph (1), the development shall
13 be deemed to satisfy the required objective planning standards.

14 (3) For purposes of this section, a development is consistent
15 with the objective planning standards if there is substantial
16 evidence that would allow a reasonable person to conclude that
17 the development is consistent with the objective planning standards.

18 (4) The determination of whether a proposed project submitted
19 pursuant to this section is or is not in conflict with the objective
20 planning standards is not a “project” as defined in Section 21065
21 of the Public Resources Code.

22 (5) Design review of the development may be conducted by the
23 local government’s planning commission or any equivalent board
24 or commission responsible for review and approval of development
25 projects, or the city council or board of supervisors, as appropriate.
26 That design review shall be objective and be strictly focused on
27 assessing compliance with criteria required for streamlined,
28 ministerial review of projects, as well as any reasonable objective
29 design standards published and adopted by ordinance or resolution
30 by a local jurisdiction before submittal of the development to the
31 local government, and shall be broadly applicable to developments
32 within the jurisdiction. That design review shall be completed as
33 follows and shall not in any way inhibit, chill, or preclude the
34 ministerial approval provided by this section or its effect, as
35 applicable:

36 (A) Within 90 days of submittal of the development proposal
37 to the local government pursuant to this section if the development
38 contains 150 or fewer housing units.

1 (B) Within 180 days of submittal of the development proposal
2 to the local government pursuant to this section if the development
3 contains more than 150 housing units.

4 (6) The local government shall ensure that the project satisfies
5 the requirements specified in subdivision (d) of Section 66300,
6 regardless of whether the development is within or not within an
7 affected city or within or not within an affected county.

8 (7) If the development is consistent with all objective
9 subdivision standards in the local subdivision ordinance, an
10 application for a subdivision pursuant to the Subdivision Map Act
11 (Division 2 (commencing with Section 66410)) shall be exempt
12 from the requirements of the California Environmental Quality
13 Act (Division 13 (commencing with Section 21000) of the Public
14 Resources Code).

15 (8) A local government's approval of a development pursuant
16 to this section shall, notwithstanding any other law, be subject to
17 the expiration timeframes specified in subdivision (f) of Section
18 65913.4.

19 (9) Any proposed modifications to a development project
20 approved pursuant to this section shall be undertaken pursuant to
21 subdivision (g) of Section 65913.4.

22 (10) A local government shall not adopt or impose any
23 requirement, including, but not limited to, increased fees or
24 inclusionary housing requirements, that applies to a project solely
25 or partially on the basis that the project is eligible to receive
26 streamlined, ministerial review pursuant to this section.

27 (11) A local government shall issue a subsequent permit required
28 for a development approved under this section pursuant to
29 paragraph (2) of subdivision (h) of Section 65913.4.

30 (12) A public improvement that is necessary to implement a
31 development that is approved pursuant to this section shall be
32 undertaken pursuant to paragraph (3) of subdivision (h) of Section
33 65913.4.

34 (m) This section shall not prevent a development from also
35 qualifying as a housing development project entitled to the
36 protections of Section 65589.5.

37 (n) The Legislature finds and declares that ensuring residential
38 development at greater density on land owned by independent
39 institutions of higher education and religious institutions is a matter
40 of statewide concern and is not a municipal affair as that term is

1 used in Section 5 of Article XI of the California Constitution.
2 Therefore, this section applies to all cities, including charter cities.

3 (o) The provisions of paragraph (3) of subdivision (g)
4 concerning health care expenditures are distinct and severable
5 from the remaining provisions of this section. However, all other
6 provisions of subdivision (g) are material and integral parts of this
7 section and are not severable. If any provision of subdivision (g),
8 exclusive of those included in paragraph (3), is held invalid, the
9 entire section shall be invalid and shall not be given effect.

10 (p) This section shall remain in effect only until January 1, 2036,
11 and as of that date is repealed.

12 SEC. 15. Section 65928 of the Government Code is amended
13 to read:

14 65928. (a) “Development project” means any project
15 undertaken for the purpose of development. “Development project”
16 includes a project involving the issuance of a permit for
17 construction or reconstruction but not a permit to operate.

18 (b) (1) (A) Except as otherwise provided in subparagraph (B),
19 “development project” does not include any ministerial projects
20 proposed to be carried out or approved by public agencies.

21 (B) Notwithstanding subparagraph (A), “development project”
22 includes a housing development project that requires an entitlement
23 from a local agency, regardless of whether the process for
24 permitting that entitlement is discretionary or ministerial.

25 (2) “Development project” does not include a postentitlement
26 phase permit, as that term is defined in Section 65913.3.

27 SEC. 16. Section 65940 of the Government Code, as amended
28 by Section 3 of Chapter 754 of the Statutes of 2023, is amended
29 to read:

30 65940. (a) (1) Each public agency shall compile one or more
31 lists that shall specify in detail the information that will be required
32 from any applicant for a development project. Each public agency
33 shall revise the list of information required from an applicant to
34 include a certification of compliance with Section 65962.5, and
35 the statement of application required by Section 65943. Copies of
36 the information, including the statement of application required
37 by Section 65943, shall be made available to all applicants for
38 development projects and to any person who requests the
39 information.

1 (2) An affected city or affected county, as defined in Section
2 66300, shall include the information necessary to determine
3 compliance with the requirements of Article 2 (commencing with
4 Section 66300.5) of Chapter 12 in the list compiled pursuant to
5 paragraph (1).

6 (b) The list of information required from any applicant shall
7 include, where applicable, identification of whether the proposed
8 project is located within 1,000 feet of a military installation,
9 beneath a low-level flight path or within special use airspace as
10 defined in Section 21098 of the Public Resources Code, and within
11 an urbanized area as defined in Section 65944.

12 (c) (1) A public agency that is not beneath a low-level flight
13 path or not within special use airspace and does not contain a
14 military installation is not required to change its list of information
15 required from applicants to comply with subdivision (b).

16 (2) A public agency that is entirely urbanized, as defined in
17 subdivision (e) of Section 65944, with the exception of a
18 jurisdiction that contains a military installation, is not required to
19 change its list of information required from applicants to comply
20 with subdivision (b).

21 (d) For purposes of this section, “development project” includes
22 a housing development project as defined in paragraph (3) of
23 subdivision (b) of Section 65905.5.

24 SEC. 17. Section 65940 of the Government Code, as amended
25 by Section 5 of Chapter 161 of the Statutes of 2021, is repealed.

26 SEC. 18. Section 65941.1 of the Government Code is amended
27 to read:

28 65941.1. (a) An applicant for a housing development project,
29 as defined in paragraph (3) of subdivision (b) of Section 65905.5,
30 shall be deemed to have submitted a preliminary application upon
31 providing all of the following information about the proposed
32 project to the city, county, or city and county from which approval
33 for the project is being sought and upon payment of the permit
34 processing fee:

35 (1) The specific location, including parcel numbers, a legal
36 description, and site address, if applicable.

37 (2) The existing uses on the project site and identification of
38 major physical alterations to the property on which the project is
39 to be located.

1 (3) A site plan showing the location on the property, elevations
2 showing design, color, and material, and the massing, height, and
3 approximate square footage, of each building that is to be occupied.

4 (4) The proposed land uses by number of units and square feet
5 of residential and nonresidential development using the categories
6 in the applicable zoning ordinance.

7 (5) The proposed number of parking spaces.

8 (6) Any proposed point sources of air or water pollutants.

9 (7) Any species of special concern known to occur on the
10 property.

11 (8) Whether a portion of the property is located within any of
12 the following:

13 (A) A very high fire hazard severity zone, as determined by the
14 Department of Forestry and Fire Protection pursuant to Section
15 51178.

16 (B) Wetlands, as defined in the United States Fish and Wildlife
17 Service Manual, Part 660 FW 2 (June 21, 1993).

18 (C) A hazardous waste site that is listed pursuant to Section
19 65962.5 or a hazardous waste site designated by the Department
20 of Toxic Substances Control pursuant to Article 5 (commencing
21 with Section 78760) of Chapter 4 of Part 2 of Division 45 of the
22 Health and Safety Code.

23 (D) A special flood hazard area subject to inundation by the 1
24 percent annual chance flood (100-year flood) as determined by
25 the Federal Emergency Management Agency in any official maps
26 published by the Federal Emergency Management Agency.

27 (E) A delineated earthquake fault zone as determined by the
28 State Geologist in any official maps published by the State
29 Geologist, unless the development complies with applicable seismic
30 protection building code standards adopted by the California
31 Building Standards Commission under the California Building
32 Standards Law (Part 2.5 (commencing with Section 18901) of
33 Division 13 of the Health and Safety Code), and by any local
34 building department under Chapter 12.2 (commencing with Section
35 8875) of Division 1 of Title 2.

36 (F) A stream or other resource that may be subject to a
37 streambed alteration agreement pursuant to Chapter 6 (commencing
38 with Section 1600) of Division 2 of the Fish and Game Code.

39 (9) Any historic or cultural resources known to exist on the
40 property.

1 (10) The number of proposed below market rate units and their
2 affordability levels.

3 (11) The number of bonus units and any incentives, concessions,
4 waivers, or parking reductions requested pursuant to Section 65915.

5 (12) Whether any approvals under the Subdivision Map Act,
6 including, but not limited to, a parcel map, a tentative map, or a
7 condominium map, are being requested.

8 (13) The applicant's contact information and, if the applicant
9 does not own the property, consent from the property owner to
10 submit the application.

11 (14) For a housing development project proposed to be located
12 within the coastal zone, whether any portion of the property
13 contains any of the following:

14 (A) Wetlands, as defined in subdivision (b) of Section 13577
15 of Title 14 of the California Code of Regulations.

16 (B) Environmentally sensitive habitat areas, as defined in
17 Section 30240 of the Public Resources Code.

18 (C) A tsunami run-up zone.

19 (D) Use of the site for public access to or along the coast.

20 (15) The number of existing residential units on the project site
21 that will be demolished and whether each existing unit is occupied
22 or unoccupied.

23 (16) A site map showing a stream or other resource that may
24 be subject to a streambed alteration agreement pursuant to Chapter
25 6 (commencing with Section 1600) of Division 2 of the Fish and
26 Game Code and an aerial site photograph showing existing site
27 conditions of environmental site features that would be subject to
28 regulations by a public agency, including creeks and wetlands.

29 (17) The location of any recorded public easement, such as
30 easements for storm drains, water lines, and other public rights of
31 way.

32 (b) (1) A development proponent that submits a preliminary
33 application providing the information required by subdivision (a)
34 may include in its preliminary application a request for a
35 preliminary fee and exaction estimate, which the city, county, or
36 city and county shall provide within 30 business days of the
37 submission of the preliminary application.

38 (2) For development fees imposed by an agency other than a
39 city, county, or city and county, including fees levied by a school
40 district or a special district, the development proponent shall

1 request the fee schedule from the agency that imposes the fee, and
2 the agency that imposes the fee shall provide the fee schedule to
3 the development proponent without delay.

4 (3) For purposes of this subdivision:

5 (A) “Exaction” has the same meaning as defined in Section
6 65940.1.

7 (B) (i) “Fee” means a fee or charge described in the Mitigation
8 Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6
9 (commencing with Section 66010), Chapter 8 (commencing with
10 Section 66016), and Chapter 9 (commencing with Section 66020)).

11 (ii) Notwithstanding clause (i), “fee” does not include either of
12 the following:

13 (I) The cost of providing electrical or gas service from a local
14 publicly owned utility.

15 (II) A charge imposed on a housing development project to
16 comply with the California Environmental Quality Act (Division
17 13 (commencing with Section 21000) of the Public Resources
18 Code).

19 (C) “Fee and exaction estimate” means a good faith estimate of
20 the total amount of fees and exactions expected to be imposed in
21 connection with the project.

22 (4) Except for the provision of the fee and exaction estimate by
23 the local agency, nothing in this subdivision shall create or affect
24 any rights or obligations with respect to fees or exactions.

25 (5) The fee and exaction estimate shall be for informational
26 purposes only and shall not be legally binding or otherwise affect
27 the scope, amount, or time of payment of any fee or exaction that
28 is determined by other provisions of law.

29 (6) A development proponent may request a fee schedule from
30 a city, county, or special district for fees described in Chapter 7
31 (commencing with Section 66012), or for the cost of providing
32 electrical or gas service from a local publicly owned utility. The
33 city, county, special district, or local publicly owned utility shall
34 provide the fee schedule upon request.

35 (c) (1) Each local agency shall compile a checklist and
36 application form that applicants for housing development projects
37 may use for the purpose of satisfying the requirements for submittal
38 of a preliminary application.

39 (2) The Department of Housing and Community Development
40 shall adopt a standardized form that applicants for housing

development projects may use for the purpose of satisfying the requirements for submittal of a preliminary application if a local agency has not developed its own application form pursuant to paragraph (1). Adoption of the standardized form shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(3) A checklist or form shall not require or request any information beyond that expressly identified in subdivision (a).

(d) After submittal of all of the information required by subdivision (a), if the development proponent revises the project such that the number of residential units or square footage of construction changes by 20 percent or more, exclusive of any increase resulting from the receipt of a density bonus, incentive, concession, waiver, or similar provision, the housing development project shall not be deemed to have submitted a preliminary application that satisfies this section until the development proponent resubmits the information required by subdivision (a) so that it reflects the revisions. For purposes of this subdivision, “square footage of construction” means the building area, as defined by the California Building Standards Code (Title 24 of the California Code of Regulations).

(e) (1) Within 180 calendar days after submitting a preliminary application with all of the information required by subdivision (a) to a city, county, or city and county, the development proponent shall submit an application for a development project that includes all of the information required to process the development application consistent with Sections 65940, 65941, and 65941.5.

(2) If the public agency determines that the application for the development project is not complete pursuant to Section 65943, the development proponent shall submit the specific information needed to complete the application within 90 days of receiving the agency’s written identification of the necessary information. If the development proponent does not submit this information within the 90-day period, then the preliminary application shall expire and have no further force or effect.

(3) This section shall not require an affirmative determination by a city, county, or city and county regarding the completeness of a preliminary application or a development application for purposes of compliance with this section.

(f) Notwithstanding any other law, submission of a preliminary application in accordance with this section shall not preclude the listing of a tribal cultural resource on a national, state, tribal, or local historic register list on or after the date that the preliminary application is submitted. For purposes of Section 65589.5 or any other law, the listing of a tribal cultural site on a national, state, tribal, or local historic register on or after the date the preliminary application was submitted shall not be deemed to be a change to the ordinances, policies, and standards adopted and in effect at the time that the preliminary application was submitted.

SEC. 19. Section 65943 of the Government Code, as amended by Section 7 of Chapter 161 of the Statutes of 2021, is amended to read:

65943. (a) Not later than 30 calendar days after any public agency has received an application for a development project, the agency shall determine in writing whether the application is complete and shall immediately transmit the determination to the applicant for the development project. If the application is determined to be incomplete, the lead agency shall provide the applicant with an exhaustive list of items that were not complete. That list shall be limited to those items actually required on the lead agency's submittal requirement checklist. In any subsequent review of the application determined to be incomplete, the local agency shall not request the applicant to provide any new information that was not stated in the initial list of items that were not complete. If the written determination is not made within 30 days after receipt of the application, and the application includes a statement that it is an application for a development permit, the application shall be deemed complete for purposes of this chapter. Upon receipt of any resubmittal of the application, a new 30-day period shall begin, during which the public agency shall determine the completeness of the application. If the application is determined not to be complete, the agency's determination shall specify those parts of the application which are incomplete and shall indicate the manner in which they can be made complete, including a list and thorough description of the specific information needed to complete the application. The applicant shall submit materials to the public agency in response to the list and description.

(b) Not later than 30 calendar days after receipt of the submitted materials described in subdivision (a), the public agency shall

determine in writing whether the application as supplemented or amended by the submitted materials is complete and shall immediately transmit that determination to the applicant. In making this determination, the public agency is limited to determining whether the application as supplemented or amended includes the information required by the list and a thorough description of the specific information needed to complete the application required by subdivision (a). If the written determination is not made within that 30-day period, the application together with the submitted materials shall be deemed complete for purposes of this chapter.

(c) If the application together with the submitted materials are determined not to be complete pursuant to subdivision (b), the public agency shall provide a process for the applicant to appeal that decision in writing to the governing body of the agency or, if there is no governing body, to the director of the agency, as provided by that agency. A city or county shall provide that the right of appeal is to the governing body or, at their option, the planning commission, or both.

There shall be a final written determination by the agency on the appeal not later than 60 calendar days after receipt of the applicant's written appeal. The fact that an appeal is permitted to both the planning commission and to the governing body does not extend the 60-day period. Notwithstanding a decision pursuant to subdivision (b) that the application and submitted materials are not complete, if the final written determination on the appeal is not made within that 60-day period, the application with the submitted materials shall be deemed complete for the purposes of this chapter.

(d) Nothing in this section precludes an applicant and a public agency from mutually agreeing to an extension of any time limit provided by this section.

(e) A public agency may charge applicants a fee not to exceed the amount reasonably necessary to provide the service required by this section. If a fee is charged pursuant to this section, the fee shall be collected as part of the application fee charged for the development permit.

(f) Each city and each county shall make copies of any list compiled pursuant to Section 65940 with respect to information required from an applicant for a housing development project, as that term is defined in paragraph (2) of subdivision (h) of Section

1 65589.5, available both (1) in writing to those persons to whom
2 the agency is required to make information available under
3 subdivision (a) of that section, and (2) publicly available on the
4 internet website of the city or county.

5 (g) For purposes of this section, “development project” includes
6 a housing development project as defined in paragraph (3) of
7 subdivision (b) of Section 65905.5.

8 SEC. 20. Section 65943 of the Government Code, as amended
9 by Section 8 of Chapter 161 of the Statutes of 2021, is repealed.

10 SEC. 21. Section 65950 of the Government Code, as amended
11 by Section 9 of Chapter 161 of the Statutes of 2021, is amended
12 to read:

13 65950. (a) A public agency that is the lead agency for a
14 development project shall approve or disapprove the project within
15 whichever of the following periods is applicable:

16 (1) One hundred eighty days from the date of certification by
17 the lead agency of the environmental impact report, if an
18 environmental impact report is prepared pursuant to Section 21100
19 or 21151 of the Public Resources Code for the development project.

20 (2) Ninety days from the date of certification by the lead agency
21 of the environmental impact report, if an environmental impact
22 report is prepared pursuant to Section 21100 or 21151 of the Public
23 Resources Code for a development project defined in subdivision
24 (c).

25 (3) Sixty days from the date of certification by the lead agency
26 of the environmental impact report, if an environmental impact
27 report is prepared pursuant to Section 21100 or 21151 of the Public
28 Resources Code for a development project defined in subdivision
29 (c) and all of the following conditions are met:

30 (A) At least 49 percent of the units in the development project
31 are affordable to very low or low-income households, as defined
32 by Sections 50105 and 50079.5 of the Health and Safety Code,
33 respectively. Rents for the lower income units shall be set at an
34 affordable rent, as that term is defined in Section 50053 of the
35 Health and Safety Code, for at least 30 years. Owner-occupied
36 units shall be available at an affordable housing cost, as that term
37 is defined in Section 50052.5 of the Health and Safety Code.

38 (B) Prior to the application being deemed complete for the
39 development project pursuant to Article 3 (commencing with
40 Section 65940), the lead agency received written notice from the

project applicant that an application has been made or will be made for an allocation or commitment of financing, tax credits, bond authority, or other financial assistance from a public agency or federal agency, and the notice specifies the financial assistance that has been applied for or will be applied for and the deadline for application for that assistance, the requirement that one of the approvals of the development project by the lead agency is a prerequisite to the application for or approval of the application for financial assistance, and that the financial assistance is necessary for the project to be affordable as required pursuant to subparagraph (A).

(C) There is confirmation that the application has been made to the public agency or federal agency prior to certification of the environmental impact report.

(4) Sixty days from the date of adoption by the lead agency of the negative declaration, if a negative declaration is completed and adopted for the development project.

(5) Sixty days from the determination by the lead agency that the project is exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), if the project is exempt from that act.

(6) Except as provided in subdivision (a) of Section 65912.114 and subdivision (a) of Section 65912.124, sixty days from the date of receipt of a complete application if the project is subject to ministerial review by the public agency.

(7) Thirty days from the conclusion of the process outlined in subdivision (b) of Section 21080.66 of the Public Resources Code, if a development project is exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) pursuant to Section 21080.66 of the Public Resources Code.

(b) This section does not preclude a project applicant and a public agency from mutually agreeing in writing to an extension of any time limit provided by this section pursuant to Section 65957.

(c) For purposes of paragraphs (2) and (3) of subdivision (a) and Section 65952, “development project” means a housing development project, as defined in paragraph (3) of subdivision (b) of Section 65905.5.

(d) For purposes of this section, “lead agency” and “negative declaration” have the same meaning as defined in Sections 21067 and 21064 of the Public Resources Code, respectively.

SEC. 22. Section 65950 of the Government Code, as amended by Section 10 of Chapter 161 of the Statutes of 2021, is repealed.

SEC. 23. Section 65952 of the Government Code is amended to read:

65952. (a) Except as provided in subdivision (b), a public agency that is a responsible agency for a development project that has been approved by the lead agency shall approve or disapprove the development project within whichever of the following periods of time is longer:

(1) Within 180 days from the date on which the lead agency has approved the project.

(2) Within 180 days of the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.

(b) A public agency that is a responsible agency for a development project described in paragraph (2) or (3) of subdivision (a) of Section 65950 that has been approved by the lead agency shall approve or disapprove the development project within whichever of the following periods of time is longer:

(1) Within 90 days from the date on which the lead agency has approved the project.

(2) Within 90 days of the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.

(c) At the time a decision by a lead agency to disapprove a development project becomes final, applications for that project which are filed with responsible agencies shall be deemed withdrawn.

SEC. 24. Section 65953 of the Government Code is amended to read:

65953. (a) All time limits specified in this article are maximum time limits for approving or disapproving development projects. All public agencies shall, if possible, approve or disapprove development projects in shorter periods of time.

(b) All time limits specified in this article shall only apply to the extent that the time limits are equal to or shorter than the

1 applicable time limits for public agency review established in any
2 other law.

3 SEC. 25. Section 65956 of the Government Code is amended
4 to read:

5 65956. (a) If any provision of law requires the lead agency or
6 responsible agency to provide public notice of the development
7 project or to hold a public hearing, or both, on the development
8 project and the agency has not provided the public notice or held
9 the hearing, or both, at least 60 days prior to the expiration of the
10 time limits established by Sections 65950 and 65952, the applicant
11 or the applicant's representative may file an action pursuant to
12 Section 1085 of the Code of Civil Procedure to compel the agency
13 to provide the public notice or hold the hearing, or both, and the
14 court shall give the proceedings preference over all other civil
15 actions or proceedings, except older matters of the same character.

16 (b) In the event that a lead agency or a responsible agency fails
17 to act to approve or to disapprove a development project within
18 the time limits required by this article, the failure to act shall be
19 deemed approval of the permit application for the development
20 project.

21 (c) Failure of an applicant to submit complete or adequate
22 information pursuant to Sections 65943 to 65944, inclusive, may
23 constitute grounds for disapproving a development project.

24 (d) Nothing in this section shall diminish the permitting agency's
25 legal responsibility to provide, where applicable, public notice and
26 hearing before acting on a permit application.

27 SEC. 26. Section 66301 of the Government Code is repealed.

28 SEC. 27. Section 66323 of the Government Code is amended
29 to read:

30 66323. (a) Notwithstanding Sections 66314 to 66322,
31 inclusive, a local agency shall ministerially approve an application
32 for a building permit within a residential or mixed-use zone to
33 create any of the following:

34 (1) One accessory dwelling unit and one junior accessory
35 dwelling unit per lot with a proposed or existing single-family
36 dwelling if all of the following apply:

37 (A) The accessory dwelling unit or junior accessory dwelling
38 unit is within the proposed space of a single-family dwelling or
39 existing space of a single-family dwelling or accessory structure
40 and may include an expansion of not more than 150 square feet

beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

(B) The space has exterior access from the proposed or existing single-family dwelling.

(C) The side and rear setbacks are sufficient for fire and safety.

(D) The junior accessory dwelling unit complies with the requirements of Article 3 (commencing with Section 66333).

(2) One detached, new construction, accessory dwelling unit that does not exceed four-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. The accessory dwelling unit may be combined with a junior accessory dwelling unit described in paragraph (1). A local agency may impose the following conditions on the accessory dwelling unit:

(A) A total floor area limitation of not more than 800 square feet.

(B) A height limitation as provided in subparagraph (A), (B), or (C) of paragraph (4) of subdivision (b) of Section 66321, as applicable.

(3) (A) Multiple accessory dwelling units within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.

(B) A local agency shall allow at least one accessory dwelling unit within an existing multifamily dwelling and shall allow up to 25 percent of the existing multifamily dwelling units.

(4) (A) (i) Multiple accessory dwelling units, not to exceed the number specified in clause (ii) or (iii), as applicable, that are located on a lot that has an existing or proposed multifamily dwelling, but are detached from that multifamily dwelling and are subject to a height limitation in subparagraph (A), (B), or (C) of paragraph (4) of subdivision (b) of Section 66321, as applicable, and rear yard and side setbacks of no more than four feet.

(ii) On a lot with an existing multifamily dwelling, not more than eight detached accessory dwelling units. However, the number of accessory dwelling units allowable pursuant to this clause shall not exceed the number of existing units on the lot.

1 (iii) On a lot with a proposed multifamily dwelling, not more
2 than two detached accessory dwelling units.

3 (B) If the existing multifamily dwelling has a rear or side setback
4 of less than four feet, the local agency shall not require any
5 modification of the existing multifamily dwelling as a condition
6 of approving the application to construct an accessory dwelling
7 unit that satisfies the requirements of this paragraph.

8 (b) A local agency shall not impose any objective development
9 or design standard that is not authorized by this section upon any
10 accessory dwelling unit that meets the requirements of any of
11 paragraphs (1) to (4), inclusive, of subdivision (a).

12 (c) A local agency shall not require, as a condition for ministerial
13 approval of a permit application for the creation of an accessory
14 dwelling unit or a junior accessory dwelling unit, the correction
15 of nonconforming zoning conditions.

16 (d) The installation of fire sprinklers shall not be required in an
17 accessory dwelling unit if sprinklers are not required for the
18 primary residence. The construction of an accessory dwelling unit
19 shall not trigger a requirement for fire sprinklers to be installed in
20 the existing multifamily dwelling.

21 (e) A local agency shall require that a rental of the accessory
22 dwelling unit created pursuant to this section be for a term longer
23 than 30 days.

24 (f) A local agency may require, as part of the application for a
25 permit to create an accessory dwelling unit connected to an onsite
26 wastewater treatment system, a percolation test completed within
27 the last five years, or, if the percolation test has been recertified,
28 within the last 10 years.

29 SEC. 28. Section 66499.41 of the Government Code, as
30 amended by Section 3 of Chapter 294 of the Statutes of 2024, is
31 amended to read:

32 66499.41. (a) A local agency shall ministerially consider,
33 without discretionary review or a hearing, a parcel map or a
34 tentative and final map for a housing development project that
35 meets all of the following requirements:

36 (1) (A) The proposed subdivision will result in 10 or fewer
37 parcels and the housing development project on the lot proposed
38 to be subdivided will contain 10 or fewer residential units, except
39 as provided in subdivision (g).

(B) The proposed subdivision may designate a remainder parcel, as defined under Section 66424.6, that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. The remainder parcel shall not be counted against the 10-parcel maximum permitted under subparagraph (A).

(2) The lot proposed to be subdivided meets all of the following sets of requirements:

(A) The lot is one of the following:

(i) Zoned to allow multifamily residential dwelling use.

(ii) Vacant and zoned for single-family residential development. For purposes of this paragraph, “vacant” means having no permanent structure, unless the permanent structure is abandoned and uninhabitable. All of the following types of housing shall not be defined as “vacant:”

(I) Housing that is subject to a recorded covenant, ordinance, or law that restricts rent or sales price to levels affordable to persons and families of low, very low, or extremely low income.

(II) Housing that is subject to any form of rent or sales price control through a local public entity’s valid exercise of its police power.

(III) Housing occupied by tenants within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit.

(B) (i) A lot zoned to allow multifamily residential dwelling use is no larger than five acres and is substantially surrounded by qualified urban uses.

(ii) A vacant lot zoned for single-family residential development is no larger than one and one-half acres and is substantially surrounded by qualified urban uses.

(iii) For purposes of this subparagraph, the following definitions apply:

(I) “Qualified urban use” has the same meaning as defined in Section 21072 of the Public Resources Code.

(II) “Substantially surrounded” has the same meaning as defined in paragraph (2) of subdivision (a) of Section 21159.25 of the Public Resources Code.

(C) The lot is a legal parcel located within one of the following:

1 (i) An incorporated city, the boundaries of which include some
2 portion of an urbanized area.

3 (ii) An urbanized area or urban cluster in a county with a
4 population greater than 600,000 based on the most recent United
5 States Census Bureau data.

6 (iii) For purposes of this subparagraph, the following definitions
7 apply:

8 (I) “Urbanized area” means an urbanized area designated by
9 the United States Census Bureau, as published in the Federal
10 Register, Volume 77, Number 59, on March 27, 2012.

11 (II) “Urban cluster” means an urban cluster designated by the
12 United States Census Bureau, as published in the Federal Register,
13 Volume 77, Number 59, on March 27, 2012.

14 (D) The lot was not established pursuant to this section,
15 including a designated remainder parcel described in subparagraph
16 (B) of paragraph (1), or Section 66411.7.

17 (3) (A) Except as specified in subparagraphs (B) and (C), the
18 newly created parcels are no smaller than 600 square feet.

19 (B) If the parcels are zoned for single-family residential use,
20 the newly created parcels are no smaller than 1,200 square feet.

21 (C) A local agency may, by ordinance, adopt a smaller minimum
22 parcel size subject to ministerial approval under this subdivision.

23 (4) The housing units on the lot proposed to be subdivided are
24 one of the following:

25 (A) Constructed on fee simple ownership lots.

26 (B) Part of a common interest development.

27 (C) Part of a housing cooperative, as defined in Section 817 of
28 the Civil Code.

29 (D) Constructed on land owned by a community land trust. For
30 the purpose of this subparagraph, “community land trust” means
31 a nonprofit corporation organized pursuant to Section 501(c)(3)
32 of the Internal Revenue Code that satisfies all of the following:

33 (i) Has as its primary purposes the creation and maintenance of
34 permanently affordable single-family or multifamily residences.

35 (ii) All dwellings and units located on the land owned by the
36 nonprofit corporation are sold to qualified owners to be occupied
37 as the qualified owner’s primary residence or rented to persons
38 and families of low or moderate income. For the purpose of this
39 subparagraph, “qualified owner” means a person or family of low
40 or moderate income, including a person or family of low or

1 moderate income who owns a dwelling or unit collectively as a
2 member occupant or resident shareholder of a limited-equity
3 housing cooperative.

4 (iii) The land owned by the nonprofit corporation, on which a
5 dwelling or unit sold to a qualified owner is situated, is leased by
6 the nonprofit corporation to the qualified owner for the convenient
7 occupation and use of that dwelling or unit for a renewable term
8 of 99 years.

9 (E) Part of a tenancy in common, as described in Section 685
10 of the Civil Code.

11 (5) The proposed housing development project will, pursuant
12 to the requirements of this division, meet one of the following, as
13 applicable:

14 (A) If the parcel is identified in the jurisdiction's housing
15 element for the current planning period that is in substantial
16 compliance with Article 10.6 (commencing with Section 65580)
17 of Chapter 3 of Division 1, the housing development project will
18 result in at least as many units as projected for that parcel in the
19 housing element. If the parcel is identified to accommodate any
20 portion of the jurisdiction's share of the regional housing need for
21 low-income or very low income households, the housing
22 development project will result in at least as many low-income or
23 very low income units as projected in the housing element. These
24 units shall be subject to a recorded affordability restriction of at
25 least 45 years.

26 (B) (i) If the parcel is not identified in the jurisdiction's housing
27 element for the current planning period that is in substantial
28 compliance with Article 10.6 (commencing with Section 65580)
29 of Chapter 3 of Division 1, the housing development project will
30 result in at least 66 percent of the maximum allowable residential
31 density as specified by local zoning or 66 percent of the applicable
32 residential density specified in subparagraph (B) of paragraph (3)
33 of subdivision (c) of Section 65583.2, whichever is greater.

34 (ii) Where local zoning does not specify a maximum allowable
35 residential density, the housing development project will result in
36 at least 66 percent of the applicable residential density as specified
37 in subparagraph (B) of paragraph (3) of subdivision (c) of Section
38 65583.2.

1 (iii) The area of any designated remainder parcel described in
2 subparagraph (B) of paragraph (1) shall be excluded from the
3 calculation of residential density under this paragraph.

4 (6) The average total area of floorspace for the proposed housing
5 units on the lot proposed to be subdivided does not exceed 1,750
6 net habitable square feet. For purposes of this paragraph, “net
7 habitable square feet” means the finished and heated floor area
8 fully enclosed by the inside surface of walls, windows, doors, and
9 partitions, and having a headroom of at least six and one-half feet,
10 including working, living, eating, cooking, sleeping, stair, hall,
11 service, and storage areas, but excluding garages, carports, parking
12 spaces, cellars, half-stories, and unfinished attics and basements.

13 (7) The housing development project on the lot proposed to be
14 subdivided complies with any local inclusionary housing
15 ordinances adopted by the local agency.

16 (8) The development of a housing development project on the
17 lot proposed to be subdivided does not require the demolition or
18 alteration of any of the following types of housing:

19 (A) Housing that is subject to a recorded covenant, ordinance,
20 or law that restricts rent to levels affordable to persons and families
21 of low, very low, or extremely low income.

22 (B) Housing that is subject to any form of rent or price control
23 through a local public entity’s valid exercise of its police power.

24 (C) Housing occupied by tenants within the five years preceding
25 the date of the application, including housing that has been
26 demolished or that tenants have vacated prior to the submission
27 of the application for a development permit.

28 (D) A parcel on which an owner of residential real property has
29 exercised the owner’s rights under Chapter 12.75 (commencing
30 with Section 7060) of Division 7 of Title 1 to withdraw
31 accommodations from rent or lease within 15 years before the date
32 that the development proponent submits an application.

33 (9) The lot proposed to be subdivided is not located on a site
34 that is any of the following:

35 (A) Either prime farmland or farmland of statewide importance,
36 as defined pursuant to United States Department of Agriculture
37 land inventory and monitoring criteria, as modified for California,
38 and designated on the maps prepared by the Farmland Mapping
39 and Monitoring Program of the Department of Conservation, or
40 land zoned or designated for agricultural protection or preservation

1 by a local ballot measure that was approved by the voters of that
2 jurisdiction.

3 (B) Wetlands, as defined in the United States Fish and Wildlife
4 Service Manual, Part 660 FW 2 (June 21, 1993).

5 (C) Within a very high fire hazard severity zone, as determined
6 by the Department of Forestry and Fire Protection pursuant to
7 Section 51178, or within a high or very high fire hazard severity
8 zone as indicated on maps adopted by the Department of Forestry
9 and Fire Protection pursuant to Section 4202 of the Public
10 Resources Code.

11 (D) A hazardous waste site that is listed pursuant to Section
12 65962.5 or a hazardous waste site designated by the Department
13 of Toxic Substances Control pursuant to former Section 25356 of
14 the Health and Safety Code, unless either of the following applies:

15 (i) The site is an underground storage tank site that received a
16 uniform closure letter issued pursuant to subdivision (g) of Section
17 25296.10 of the Health and Safety Code based on closure criteria
18 established by the State Water Resources Control Board for
19 residential use or residential mixed uses. This section does not
20 alter or change the conditions to remove a site from the list of
21 hazardous waste sites listed pursuant to Section 65962.5.

22 (ii) The State Department of Public Health, State Water
23 Resources Control Board, Department of Toxic Substances Control,
24 or a local agency making a determination pursuant to subdivision
25 (c) of Section 25296.10 of the Health and Safety Code, has
26 otherwise determined that the site is suitable for residential use or
27 residential mixed uses.

28 (E) Within a delineated earthquake fault zone as determined by
29 the State Geologist in any official maps published by the State
30 Geologist, unless the housing development project complies with
31 applicable seismic protection building code standards adopted by
32 the California Building Standards Commission under the California
33 Building Standards Law (Part 2.5 (commencing with Section
34 18901) of Division 13 of the Health and Safety Code), and by any
35 local building department under Chapter 12.2 (commencing with
36 Section 8875) of Division 1 of Title 2.

37 (F) Within a special flood hazard area subject to inundation by
38 the 1-percent annual chance flood (100-year flood) as determined
39 by the Federal Emergency Management Agency in any official
40 maps published by the Federal Emergency Management Agency.

1 If a development proponent is able to satisfy all applicable federal
2 qualifying criteria in order to provide that the site satisfies this
3 paragraph and is otherwise eligible for streamlined approval under
4 this section, a local government shall not deny the application on
5 the basis that the development proponent did not comply with any
6 additional permit requirement, standard, or action adopted by that
7 local government that is applicable to that site. A housing
8 development project may be located on a site described in this
9 subparagraph if either of the following is met:

10 (i) The site has been subject to a Letter of Map Revision
11 prepared by the Federal Emergency Management Agency and
12 issued to the local jurisdiction.

13 (ii) The site meets Federal Emergency Management Agency
14 requirements necessary to meet minimum flood plain management
15 criteria of the National Flood Insurance Program pursuant to Part
16 59 (commencing with Section 59.1) and Part 60 (commencing
17 with Section 60.1) of Subchapter B of Chapter I of Title 44 of the
18 Code of Federal Regulations.

19 (G) Within a regulatory floodway as determined by the Federal
20 Emergency Management Agency in any official maps published
21 by the Federal Emergency Management Agency, unless the housing
22 development project has received a no-rise certification in
23 accordance with Section 60.3(d)(3) of Title 44 of the Code of
24 Federal Regulations. If a development proponent is able to satisfy
25 all applicable federal qualifying criteria in order to provide that
26 the site satisfies this subparagraph and is otherwise eligible for
27 streamlined approval under this section, a local government shall
28 not deny the application on the basis that the development
29 proponent did not comply with any additional permit requirement,
30 standard, or action adopted by that local government that is
31 applicable to that site.

32 (H) Land identified for conservation in an adopted natural
33 community conservation plan pursuant to the Natural Community
34 Conservation Planning Act (Chapter 10 (commencing with Section
35 2800) of Division 3 of the Fish and Game Code), habitat
36 conservation plan pursuant to the federal Endangered Species Act
37 of 1973 (16 U.S.C. Sec. 1531 et seq.), or another adopted natural
38 resource protection plan.

39 (I) Habitat for protected species identified as candidate,
40 sensitive, or species of special status by state or federal agencies,

1 fully protected species, or species protected by the federal
2 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
3 the California Endangered Species Act (Chapter 1.5 (commencing
4 with Section 2050) of Division 3 of the Fish and Game Code), or
5 the Native Plant Protection Act (Chapter 10 (commencing with
6 Section 1900) of Division 2 of the Fish and Game Code).

7 (J) Land under conservation easement.

8 (10) The proposed subdivision conforms to all applicable
9 objective requirements of the Subdivision Map Act (Division 2
10 (commencing with Section 66410)), except as otherwise expressly
11 provided in this section.

12 (11) The proposed subdivision complies with all applicable
13 standards established pursuant to Section 65852.28.

14 (12) Any parcels proposed to be created pursuant to this section
15 will be served by a public water system and a municipal sewer
16 system.

17 (13) The proposed subdivision will not result in any existing
18 dwelling unit being alienable separate from the title to any other
19 existing dwelling unit on the lot.

20 (b) A housing development project on a proposed site to be
21 subdivided pursuant to this section is not required to comply with
22 either of the following requirements:

23 (1) A minimum requirement on the size, width, depth, frontage,
24 or dimensions of an individual parcel created by the housing
25 development project beyond the minimum parcel size specified
26 in, or established pursuant to, paragraph (3) of subdivision (a).

27 (2) (A) The formation of a homeowners' association, except
28 as required by the Davis-Stirling Common Interest Development
29 Act (Part 5 (commencing with Section 4000) of Division 4 of the
30 Civil Code).

31 (B) Subparagraph (A) shall not be construed to prohibit a local
32 agency from requiring a mechanism for the maintenance of
33 common space within the subdivision, including, but not limited
34 to, a road maintenance agreement.

35 (c) A local agency shall approve or deny an application for a
36 parcel map or a tentative map for a housing development project
37 submitted to a local agency pursuant to this section within 60 days
38 from the date the local agency receives a completed application.
39 If the local agency does not approve or deny a completed
40 application within 60 days, the application shall be deemed

1 approved. If the local agency denies the application, the local
2 agency shall, within 60 days from the date the local agency receives
3 the completed application, return in writing a full set of comments
4 to the applicant with a list of items that are defective or deficient
5 and a description of how the applicant can remedy the application.

6 (d) Any housing development project constructed on the lot
7 proposed to be subdivided pursuant to this section shall comply
8 with all applicable objective zoning standards, objective
9 subdivision standards, and objective design standards as established
10 by the local agency that are not inconsistent with this section and
11 paragraph (2) of subdivision (a) of Section 65852.28.

12 (e) (1) (A) Except as provided in paragraph (2), no person shall
13 sell, lease, or finance any parcel or parcels of real property resulting
14 from a subdivision under this section separately from any other
15 such parcel or parcels, unless each parcel that is sold, leased, or
16 financed meets one of the following criteria:

17 (i) The parcel contains a residential structure completed in
18 compliance with all applicable provisions of the California Building
19 Standards Code that includes at least one dwelling unit.

20 (ii) The parcel already contains an existing legally permitted
21 residential structure.

22 (iii) The parcel is reserved for internal circulation, open space,
23 or common area.

24 (iv) The parcel is the only remaining parcel within the
25 subdivision that is not developed with a residential structure that
26 was completed in compliance with all applicable provisions of the
27 California Building Standards Code.

28 (B) For purposes of this subdivision, “parcel or parcels of real
29 property resulting from a subdivision under this section” shall not
30 include any designated remainder parcel described in subparagraph
31 (B) of paragraph (1) of subdivision (a).

32 (C) Violation of this paragraph shall constitute the sale of real
33 property that has been divided in violation of the provisions of this
34 division and shall be subject to the penalties and remedies set forth
35 in Chapter 7 (commencing with Section 66499.30).

36 (2) A local agency may, by ordinance or map condition,
37 authorize the sale, lease, or finance of any parcel or parcels of real
38 property resulting from a subdivision under this section without
39 compliance with the provisions of paragraph (1).

(f) A local agency may deny the issuance of a parcel map, a tentative map, or a final map if it makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(g) Notwithstanding Article 2 (commencing with Section 66314) or Article 3 (commencing with Section 66333) of Chapter 13 of Division 1, a local agency is not required to permit an accessory dwelling unit or a junior accessory dwelling unit on parcels created through the exercise of the authority contained within this section. If a local agency chooses to permit accessory dwelling units or junior accessory dwelling units, the units shall not count as residential units for the purposes of paragraph (1) of subdivision (a).

(h) (1) Notwithstanding Section 66411.7, a local agency is not required to permit an urban lot split on a parcel created through the exercise of the authority contained within this section.

(2) Notwithstanding Sections 65852.21 and 66411.7, those sections shall not apply to a site that meets both of the following requirements:

(A) The site is located within a single-family residential horsekeeping zone designated in a master plan, adopted before January 1, 1994, that regulates land zoned single-family horsekeeping, commercial, commercial-recreational, and existing industrial within the plan area.

(B) The applicable local government has an adopted housing element that is compliant with applicable law.

(i) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

SEC. 29. Section 17958 of the Health and Safety Code is amended to read:

17958. (a) Except as provided in subdivision (b), and in Sections 17958.8 and 17958.9, any city or county may make changes in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other

regulations thereafter adopted pursuant to Section 17922 to amend, add, or repeal ordinances or regulations which impose the same requirements as are contained in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations adopted pursuant to Section 17922 or make changes or modifications in those requirements upon express findings pursuant to Sections 17958.5 and 17958.7. If any city or county does not amend, add, or repeal ordinances or regulations to impose those requirements or make changes or modifications in those requirements upon express findings, the provisions published in the California Building Standards Code or the other regulations promulgated pursuant to Section 17922 shall be applicable to it and shall become effective 180 days after publication by the California Building Standards Commission. Amendments, additions, and deletions to the California Building Standards Code adopted by a city or county pursuant to Section 17958.7, together with all applicable portions of the California Building Standards Code, shall become effective 180 days after publication of the California Building Standards Code by the California Building Standards Commission.

(b) Commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not make changes that are applicable to residential units in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations thereafter adopted pursuant to Section 17922 to amend, add, or repeal ordinances or regulations which impose the same requirements as are contained in the provisions adopted pursuant to Section 17922 and published in the California Building Standards Code or the other regulations adopted pursuant to Section 17922 or make changes or modifications in those requirements upon express findings pursuant to Sections 17958.5 and 17958.7, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

(6) The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a postentitlement permit.

(B) Alterations to a local agency's postentitlement fee schedule.

(C) Modernization of, or adoption of, new permitting platforms and software utilized by the local agency.

(D) Reductions in cost of internal operation for a local agency.

(E) Establishment, alteration, or removal of local programs related to enforcement of building code violations or complaints alleging building code violations.

SEC. 30. Section 17958.5 of the Health and Safety Code is amended to read:

17958.5. (a) Except as provided in subdivision (c) and in Section 17922.6, in adopting the ordinances or regulations pursuant to Section 17958, a city or county may make those changes or modifications in the requirements contained in the provisions published in the California Building Standards Code and the other regulations adopted pursuant to Section 17922, including, but not limited to, green building standards, as it determines, pursuant to the provisions of Section 17958.7, are reasonably necessary because of local climatic, geological, or topographical conditions.

(b) For purposes of this section, a city or county may make reasonably necessary modifications to the requirements, adopted pursuant to Section 17922, including, but not limited to, green building standards, contained in the provisions of the code and regulations on the basis of local conditions.

(c) Commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not make a change or modification as described

1 in subdivision (a) or (b), including to green building standards,
2 that is applicable to residential units, unless one of the following
3 conditions is met:

4 (1) The changes or modifications are substantially equivalent
5 to changes or modifications that were previously filed by the
6 governing body of the city or county and were in effect as of
7 September 30, 2025.

8 (2) The commission deems those changes or modifications
9 necessary as emergency standards to protect health and safety.

10 (3) The changes or modifications relate to home hardening.

11 (4) The building standards relate to home hardening and are
12 proposed for adoption by a local fire prevention district pursuant
13 to Section 13869.7.

14 (5) The changes or modifications are necessary to implement a
15 local code amendment that is adopted to align with a general plan
16 approved on or before June 10, 2025, and that permits mixed-fuel
17 residential construction consistent with federal law while also
18 incentivizing all-electric construction as part of an adopted
19 greenhouse gas emissions reduction strategy.

20 (6) The changes or modifications are related to administrative
21 practices, are proposed for adoption during the intervening period
22 pursuant to Section 18942, and exclusively result in any of the
23 following:

24 (A) Reductions in time for a local agency to issue a
25 postentitlement permit.

26 (B) Alterations to a local agency's postentitlement fee schedule.

27 (C) Modernization of, or adoption of, new permitting platforms
28 and software utilized by the local agency.

29 (D) Reductions in cost of internal operation for a local agency.

30 (E) Establishment, alteration, or removal of local programs
31 related to enforcement of building code violations or complaints
32 alleging building code violations.

33 SEC. 31. Section 17958.7 of the Health and Safety Code is
34 amended to read:

35 17958.7. (a) Except as provided in subdivision (c) and in
36 Section 17922.6, the governing body of a city or county, before
37 making any modifications or changes pursuant to Section 17958.5,
38 shall make an express finding that such modifications or changes
39 are reasonably necessary because of local climatic, geological, or
40 topographical conditions. Such a finding shall be available as a

1 public record. A copy of those findings, together with the
2 modification or change expressly marked and identified to which
3 each finding refers, shall be filed with the California Building
4 Standards Commission. No modification or change shall become
5 effective or operative for any purpose until the finding and the
6 modification or change have been filed with the California Building
7 Standards Commission.

8 (b) The California Building Standards Commission may reject
9 a modification or change filed by the governing body of a city or
10 county if no finding was submitted.

11 (c) Commencing October 1, 2025, to June 1, 2031, inclusive,
12 the commission shall reject a modification or change to any
13 building standard affecting a residential unit and filed by the
14 governing body of a city or county, unless one of the following
15 conditions is met:

16 (1) The changes or modifications are substantially equivalent
17 to changes or modifications that were previously filed by the
18 governing body of the city or county and were in effect as of
19 September 30, 2025.

20 (2) The commission deems those changes or modifications
21 necessary as emergency standards to protect health and safety.

22 (3) The changes or modifications relate to home hardening.

23 (4) The building standards relate to home hardening and are
24 proposed for adoption by a local fire prevention district pursuant
25 to Section 13869.7.

26 (5) The changes or modifications are necessary to implement a
27 local code amendment that is adopted to align with a general plan
28 approved on or before June 10, 2025, and that permits mixed-fuel
29 residential construction consistent with federal law while also
30 incentivizing all-electric construction as part of an adopted
31 greenhouse gas emissions reduction strategy.

32 (6) The changes or modifications are related to administrative
33 practices, are proposed for adoption during the intervening period
34 pursuant to Section 18942, and exclusively result in any of the
35 following:

36 (A) Reductions in time for a local agency to issue a
37 postentitlement permit.

38 (B) Alterations to a local agency's postentitlement fee schedule.

39 (C) Modernization of, or adoption of, new permitting platforms
40 and software utilized by the local agency.

1 (D) Reductions in cost of internal operation for a local agency.

2 (E) Establishment, alteration, or removal of local programs
3 related to enforcement of building code violations or complaints
4 alleging building code violations.

5 (d) (1) The commission, in determining that a modification or
6 change meets any of the criteria in paragraph (1) to (5), inclusive,
7 of subdivision (c), may rely on a statement by the local agency to
8 that effect.

9 (2) The changes or modifications made pursuant to paragraph
10 (6) of subdivision (c) may be filed with the commission and shall
11 be reviewed by the commission, in consultation with the
12 Department of Housing and Community Development, within 60
13 days of receipt, if requested by the local agency.

14 SEC. 32. Section 17973 of the Health and Safety Code is
15 amended to read:

16 17973. (a) Exterior elevated elements that include load-bearing
17 components in all buildings containing three or more multifamily
18 dwelling units shall be inspected. The inspection shall be performed
19 by a licensed architect; licensed civil or structural engineer; a
20 building contractor holding any or all of the “A,” “B,” or “C-5”
21 license classifications issued by the Contractors State License
22 Board, with a minimum of five years’ experience, as a holder of
23 the aforementioned classifications or licenses, in constructing
24 multistory wood frame buildings; or an individual certified as a
25 building inspector or building official from a recognized state,
26 national, or international association, as determined by the local
27 jurisdiction. These individuals shall not be employed by the local
28 jurisdiction while performing these inspections. The purpose of
29 the inspection is to determine that exterior elevated elements and
30 their associated waterproofing elements are in a generally safe
31 condition, adequate working order, and free from any hazardous
32 condition caused by fungus, deterioration, decay, or improper
33 alteration to the extent that the life, limb, health, property, safety,
34 or welfare of the public or the occupants is not endangered. The
35 person or business performing the inspection shall be hired by the
36 owner of the building.

37 (b) For purposes of this section, the following terms have the
38 following definitions:

39 (1) “Associated waterproofing elements” include flashings,
40 membranes, coatings, and sealants that protect the load-bearing

1 components of exterior elevated elements from exposure to water
2 and the elements.

3 (2) “Exterior elevated element” means the following types of
4 structures, including their supports and railings: balconies, decks,
5 porches, stairways, walkways, and entry structures that extend
6 beyond exterior walls of the building and which have a walking
7 surface that is elevated more than six feet above ground level, are
8 designed for human occupancy or use, and rely in whole or in
9 substantial part on wood or wood-based products for structural
10 support or stability of the exterior elevated element.

11 (3) “Load-bearing components” are those components that
12 extend beyond the exterior walls of the building to deliver structural
13 loads from the exterior elevated element to the building.

14 (c) The inspection required by this section shall at a minimum
15 include:

16 (1) Identification of each type of exterior elevated element that,
17 if found to be defective, decayed, or deteriorated to the extent that
18 it does not meet its load requirements, would, in the opinion of the
19 inspector, constitute a threat to the health or safety of the occupants.

20 (2) Assessment of the load-bearing components and associated
21 waterproofing elements of the exterior elevated elements identified
22 in paragraph (1) using methods allowing for evaluation of their
23 performance by direct visual examination or comparable means
24 of evaluating their performance. For purposes of this section, a
25 sample of at least 15 percent of each type of exterior elevated
26 element shall be inspected.

27 (3) The evaluation and assessment shall address each of the
28 following as of the date of the evaluation:

29 (A) The current condition of the exterior elevated elements.

30 (B) Expectations of future performance and projected service
31 life.

32 (C) Recommendations of any further inspection necessary.

33 (4) A written report of the evaluation stamped or signed by the
34 inspector presented to the owner of the building or the owner’s
35 designated agent within 45 days of completion of the inspection.
36 The report shall include photographs, any test results, and narrative
37 sufficient to establish a baseline of the condition of the components
38 inspected that can be compared to the results of subsequent
39 inspections. In addition to the evaluation required by this section,
40 the report shall advise which, if any, exterior elevated element

1 poses an immediate threat to the safety of the occupants, and
2 whether preventing occupant access or conducting emergency
3 repairs, including shoring, are necessary.

4 (d) (1) The inspection shall be completed by January 1, 2026,
5 and by January 1 every six years thereafter. The inspector
6 conducting the inspection shall produce an initial report pursuant
7 to paragraph (4) of subdivision (c) and, if requested by the owner,
8 a final report indicating that any required repairs have been
9 completed. A copy of any report that recommends immediate
10 repairs, advises that any building assembly poses an immediate
11 threat to the safety of the occupants, or that preventing occupant
12 access or emergency repairs, including shoring, are necessary,
13 shall be provided by the inspector to the owner of the building and
14 to the local enforcement agency within 15 days of completion of
15 the report. Subsequent inspection reports shall incorporate copies
16 of prior inspection reports, including the locations of the exterior
17 elevated elements inspected. Local enforcement agencies may
18 determine whether any additional information is to be provided in
19 the report and may require a copy of the initial or final reports, or
20 both, be submitted to the local jurisdiction. Copies of all inspection
21 reports shall be maintained in the building owner's permanent
22 records for not less than two inspection cycles, and shall be
23 disclosed and delivered to the buyer at the time of any subsequent
24 sale of the building.

25 (2) Notwithstanding paragraph (1), if the owner of the building
26 confirms the presence of asbestos containing material (ACM)
27 during the inspection process and is unable to complete the
28 inspection as a result, the owner of the building shall have up to
29 nine months to complete the necessary ACM abatement in
30 accordance with applicable federal, state, and local laws. Upon
31 completion of ACM abatement, the owner of the building shall
32 have no more than three months to complete the inspection in
33 paragraph (1). The owner of the building shall retain records
34 confirming the presence of ACM and its abatement for three years
35 after completion of the inspection.

36 (e) The inspection of buildings for which a building permit
37 application has been submitted on or after January 1, 2019, shall
38 occur no later than six years following issuance of a certificate of
39 occupancy from the local jurisdiction and shall otherwise comply
40 with the provisions of this section.

(f) If the property was inspected within three years prior to January 1, 2019, by an inspector as described in subdivision (a) and a report of that inspector was issued stating that the exterior elevated elements and associated waterproofing elements are in proper working condition and do not pose a threat to the health and safety of the public, no new inspection pursuant to this section shall be required until January 1, 2026.

(g) An exterior elevated element found by the inspector that is in need of repair or replacement shall be corrected by the owner of the building. All necessary permits for repair or replacement shall be obtained from the local jurisdiction. All repair and replacement work shall be performed by a qualified and licensed contractor in compliance with all of the following:

(1) The recommendations of a licensed professional described in subdivision (a).

(2) Any applicable manufacturer's specifications.

(3) The California Building Standards Code, consistent with subdivision (d) of Section 17922 of the Health and Safety Code.

(4) All local jurisdictional requirements.

(h) (1) An exterior elevated element that the inspector advises poses an immediate threat to the safety of the occupants, or finds preventing occupant access or emergency repairs, including shoring, or both, are necessary, shall be considered an emergency condition and the owner of the building shall perform required preventive measures immediately. Immediately preventing occupant access to the exterior elevated element until emergency repairs can be completed constitutes compliance with this paragraph. Repairs of emergency conditions shall comply with the requirements of subdivision (g), be inspected by the inspector, and reported to the local enforcement agency.

(2) The owner of the building requiring corrective work to an exterior elevated element that, in the opinion of the inspector, does not pose an immediate threat to the safety of the occupants, shall apply for a permit within 120 days of receipt of the inspection report. Once the permit is approved, the owner of the building shall have 120 days to make the repairs unless an extension of time is granted by the local enforcement agency.

(i) (1) The owner of the building shall be responsible for complying with the requirements of this section.

1 (2) If the owner of the building does not comply with the repair
2 requirements within 180 days, the inspector shall notify the local
3 enforcement agency and the owner of the building. If within 30
4 days of the date of the notice the repairs are not completed, the
5 owner of the building shall be assessed a civil penalty based on
6 the fee schedule set by the local authority of not less than one
7 hundred dollars (\$100) nor more than five hundred dollars (\$500)
8 per day until the repairs are completed, unless an extension of time
9 is granted by the local enforcement agency.

10 (3) In the event that a civil penalty is assessed pursuant to this
11 section, a building safety lien may be recorded in the county
12 recorder's office by the local jurisdiction in the county in which
13 the parcel of land is located and from the date of recording shall
14 have the force, effect, and priority of a judgment lien.

15 (j) (1) A building safety lien authorized by this section shall
16 specify the amount of the lien, the name of the agency on whose
17 behalf the lien is imposed, the street address, the legal description
18 and assessor's parcel number of the parcel on which the lien is
19 imposed, and the name and address of the recorded owner of the
20 building.

21 (2) In the event that the lien is discharged, released, or satisfied,
22 either through payment or foreclosure, notice of the discharge
23 containing the information specified in paragraph (1) shall be
24 recorded by the governmental agency. A safety lien and the release
25 of the lien shall be indexed in the grantor-grantee index.

26 (3) A building safety lien may be foreclosed by an action
27 brought by the appropriate local jurisdiction for a money judgment.

28 (4) Notwithstanding any other law, the county recorder may
29 impose a fee on the city to reimburse the costs of processing and
30 recording the lien and providing notice to the owner of the building.
31 A city may recover from the owner of the building any costs
32 incurred regarding the processing and recording of the lien and
33 providing notice to the owner of the building as part of its
34 foreclosure action to enforce the lien.

35 (k) The continued and ongoing maintenance of exterior elevated
36 elements in a safe and functional condition in compliance with
37 these provisions shall be the responsibility of the owner of the
38 building.

39 (l) Local enforcement agencies shall have the ability to recover
40 enforcement costs associated with the requirements of this section.

(m) For any building subject to the provisions of this section that is proposed for conversion to condominiums to be sold to the public after January 1, 2019, the inspection required by this section shall be conducted prior to the first close of escrow of a separate interest in the project and shall include the inspector's recommendations for repair or replacement of any exterior elevated element found to be defective, decayed, or deteriorated to the extent that it does not meet its load requirements, and would, in the opinion of the inspector, constitute a threat to the health or safety of the occupants. The inspection report and written confirmation by the inspector that any repairs or replacements recommended by the inspector have been completed shall be submitted to the Department of Real Estate by the proponent of the conversion and shall be a condition to the issuance of the final public report. A complete copy of the inspection report and written confirmation by the inspector that any repairs or replacements recommended by the inspector have been completed shall be included with the written statement of defects required by Section 1134 of the Civil Code, and provided to the local jurisdiction in which the project is located. The inspection, report, and confirmation of completed repairs shall be a condition of the issuance of a final inspection or certificate of occupancy by the local jurisdiction.

(n) This section shall not apply to a common interest development, as defined in Section 4100 of the Civil Code.

(o) The governing body of any city, county, or city and county, may enact ordinances or laws imposing requirements greater than those imposed by this section.

SEC. 33. Section 17974.1 of the Health and Safety Code is amended to read:

17974.1. (a) Notwithstanding any other provision of this part, a city or county that receives a complaint from an occupant of a homeless shelter, or an agent of an occupant, that alleges a homeless shelter is substandard pursuant to Section 17920.3 shall do all of the following:

(1) Inspect the homeless shelter or portion thereof intended for human occupancy that may be substandard pursuant to Section 17920.3.

(2) Identify whether the homeless shelter or any portion thereof intended for human occupancy is substandard pursuant to Section

1 17920.3, as applicable. The documentation shall be included in
2 the inspection report described in subdivision (h).

3 (3) As applicable, advise the owner or operator of a homeless
4 shelter of each violation and of each action that is required to be
5 taken to remedy the violation. The city or county shall schedule a
6 reinspection to verify correction of the violations.

7 (b) Notwithstanding any other provision of this part, and
8 consistent with Section 17970, a city or county shall perform an
9 annual inspection on every homeless shelter located in its
10 jurisdiction to ensure that the homeless shelter is compliant with
11 this part. A city or county conducting an inspection pursuant to
12 this subdivision shall comply with this section, to the extent those
13 provisions are applicable.

14 (c) (1) If, upon inspection, the city or county determines that
15 a homeless shelter is substandard pursuant to Section 17920.3, the
16 city or county shall promptly, but not later than 10 business days
17 after the city or county completes the inspection, issue a notice to
18 correct the violation to the owner or operator of the homeless
19 shelter.

20 (2) In the event that the city or county determines that a violation
21 constitutes an imminent threat to the health and safety of the
22 occupants of the homeless shelter, the notice of violation shall be
23 issued immediately and served on the owner or operator of the
24 homeless shelter.

25 (3) In the event that the city or county determines that
26 deficiencies, violations, or conditions exist at a homeless shelter
27 that are dangerous, hazardous, imminently detrimental to life or
28 health, or otherwise render the homeless shelter unfit for human
29 habitation, the city or county may issue an emergency order
30 directing the owner or operator to take immediate measures to
31 rectify those deficiencies, violations, or conditions.

32 (d) An inspection conducted pursuant to this section may be
33 announced or unannounced.

34 (e) The city or county shall maintain all records on file of each
35 homeless shelter inspection. These records shall be made available
36 to the public for inspection.

37 (f) A city or county shall perform an inspection conducted
38 pursuant to subdivision (a) at least as promptly as that city or
39 county conducts an inspection in response to a request for final
40 inspection pursuant to Section 110 of Part 2 of Division 2 of

Chapter 1 of the California Building Code (Part 2 of Title 24 of the California Code of Regulations).

(g) Notwithstanding subdivision (a), a city or county is not required to conduct an inspection in response to either of the following:

(1) A complaint that does not allege one or more substandard conditions.

(2) A complaint submitted by a tenant, resident, or occupant who, within the past 180 days, submitted a complaint about the same property that the chief building inspector or their designee reasonably determined, after inspection, was frivolous or unfounded.

(h) A city or county shall provide free, certified copies of an inspection report and citations issued pursuant to this section, if any, to the complaining occupant or their agent. If the inspection reveals a condition potentially affecting multiple occupants, including, but not limited to, conditions relating to the premises, common areas, or structural features, then the city or county shall provide free copies of the inspection report and citations issued to all potentially affected occupants or their agents.

(i) A city or county shall not unreasonably refuse to communicate with an occupant or the agent of an occupant regarding any matter covered by this article.

(j) A city or county shall conduct an inspection pursuant to this section based on the location of the homeless shelter, in accordance with the following:

(1) A city shall conduct an inspection for shelters within the city's jurisdiction.

(2) A county shall conduct an inspection for shelters within the county's jurisdiction.

(3) A city with a population under 100,000 may partner with its county to conduct an inspection pursuant to this section.

SEC. 34. Section 17974.1.5 is added to the Health and Safety Code, to read:

17974.1.5. (a) A homeless shelter shall prominently display at the shelter information about an occupant's rights and the process for reporting a complaint alleging a homeless shelter is substandard pursuant to Section 17920.3, including the contact information for all of the following:

(1) The owner or operator of the homeless shelter.

1 (2) The city or county.

2 (3) The department.

3 (b) A homeless shelter shall provide in writing the notice
4 specified in subdivision (a) to any new occupant during intake.

5 SEC. 35. Section 17974.3 of the Health and Safety Code is
6 amended to read:

7 17974.3. (a) The requirements of this article shall not be
8 construed to impose a mandatory duty pursuant to Section 815.6
9 of the Government Code, and shall not be construed to affect the
10 availability of any immunity otherwise applicable to the city or
11 county or its employees, including, but not limited to, Sections
12 818.2, 818.4, 818.6, 820.2, 821, 821.2, and 821.4 of the
13 Government Code.

14 (b) (1) An action to enforce the requirements of this article
15 may be brought pursuant to Section 1085 of the Code of Civil
16 Procedure.

17 (2) A plaintiff who prevails in an action described in paragraph
18 (1) shall be entitled to recover reasonable attorney's fees and costs.

19 (3) Notwithstanding any other law, including any provision of
20 this part authorizing the department to enforce this part by means
21 of administrative enforcement, the department may bring a civil
22 action pursuant to this subdivision in order to enforce this part.

23 (c) For purposes of Section 1085 of the Code of Civil Procedure,
24 the requirements of this article shall be construed as acts that the
25 law specially enjoins, as a duty resulting from an office, trust, or
26 station.

27 SEC. 36. Section 17974.5 of the Health and Safety Code is
28 amended to read:

29 17974.5. (a) Each city and each county shall submit a report
30 annually to the department and the state agency by April 1 of each
31 year that includes all of the following information:

32 (1) The number of complaints received by the city or county,
33 pursuant to Section 17920.3, including if the city or county did
34 not receive any complaints.

35 (2) Any pending uncorrected violations determined by the city
36 or county, pursuant to Section 17974.1.

37 (3) Any determinations by the city or county that conditions
38 exist or existed that make or made the homeless shelter dangerous,
39 hazardous, imminently detrimental to life or health, or otherwise
40 render the homeless shelter unfit for human habitation.

1 (4) A list of any emergency orders issued pursuant to paragraph
2 (3) of subdivision (c) of Section 17974.1.

3 (5) A list of any owners or operators who received three or more
4 violations within any six-month period.

5 (6) Any corrected violations from the prior year.

6 (b) The report submitted pursuant to subdivision (a) shall be
7 submitted in compliance with Section 9795 of the Government
8 Code.

9 (c) If a city or county applies for state funding to support the
10 ongoing operations of a homeless shelter, the city or county shall
11 disclose to the state agency that administers the state funding the
12 status of any unresolved violations pursuant to this article and the
13 names of the homeless shelter owner or operator.

14 (d) The department or the state agency, may, pursuant to the
15 reported information in subdivision (b), deem an owner or operator
16 of a shelter ineligible for state funding for shelter operations.

17 (e) The department shall withhold state funding from a city or
18 county that fails to comply with the reporting requirements in this
19 section or fails to take action to correct a violation of this article
20 by a homeless shelter pursuant to Section 17974.4.

21 SEC. 37. Section 18916 of the Health and Safety Code is
22 amended to read:

23 18916. "Model code" means any building code drafted by
24 private organizations or otherwise, and shall include, but not be
25 limited to, the latest edition of the following:

26 (a) The International Building Code of the International Code
27 Council.

28 (b) The Uniform Plumbing Code of the International Association
29 of Plumbing and Mechanical Officials.

30 (c) The Uniform Mechanical Code of the International
31 Association of Plumbing and Mechanical Officials.

32 (d) The National Electrical Code of the National Fire Protection
33 Association.

34 (e) The International Fire Code of the International Code
35 Council.

36 (f) The International Existing Building Code of the International
37 Code Council.

38 (g) The International Residential Code of the International Code
39 Council.

1 (h) The International Wildland-Urban Interface Code of the
2 International Code Council.

3 SEC. 38. Section 18929.1 of the Health and Safety Code is
4 amended to read:

5 18929.1. (a) Except as provided in subdivision (c), the
6 commission shall receive proposed building standards from state
7 agencies for consideration in an 18-month code adoption cycle.
8 The commission shall develop regulations setting forth the
9 procedures for the 18-month adoption cycle. The regulations shall
10 ensure all of the following:

11 (1) Adequate public participation in the development of building
12 standards prior to submittal to the commission for adoption and
13 approval.

14 (2) Adequate notice, in written form, to the public of the
15 compiled building standards and their justification.

16 (3) Adequate technical review of proposed building standards
17 and accompanying justification by advisory bodies appointed by
18 the commission.

19 (4) Adequate time for review of recommendations by advisory
20 bodies prior to action by the commission.

21 (5) The procedures shall meet the intent of the Administrative
22 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
23 Part 1 of Division 3 of Title 2 of the Government Code) and
24 Section 18930.

25 (b) Where this section is in conflict with other provisions of this
26 part, the intent of this section shall prevail.

27 (c) Commencing October 1, 2025, to June 1, 2031, inclusive,
28 subdivision (a) shall not apply to any building standards affecting
29 residential units and proposed building standards affecting
30 residential units shall not be considered, approved, or adopted by
31 the commission, unless any of the following conditions are met:

32 (1) The commission deems those changes necessary as
33 emergency standards to protect health and safety.

34 (2) The building standards are amendments by the State Fire
35 Marshal to building standards within the California
36 Wildland-Urban Interface Code (Part 7 of Title 24 of the California
37 Code of Regulations).

38 (3) The building standards are proposed for adoption in relation
39 to standards researched pursuant to Section 13108.5.2.

1 (4) The building standards are proposed for adoption pursuant
2 to Section 17921.9, 17921.11, or 18940.7 of this code, or Section
3 13558 of the Water Code.

4 (5) The building standards are necessary to ensure the latest
5 editions of the model codes specified in Section 18916 are
6 incorporated into the triennial edition of the California Building
7 Standards Code, along with any necessary and related state
8 amendments supporting or facilitating the incorporation of the
9 model codes.

10 (6) The building standards are necessary to incorporate errata
11 or emergency updates to the national model codes specified in
12 Section 18916, along with any necessary and related state
13 amendments supporting or facilitating the incorporation of errata
14 or emergency updates to the model codes.

15 (7) The building standards under consideration would take effect
16 on or after January 1, 2032.

17 SEC. 39. Section 18930 of the Health and Safety Code is
18 amended to read:

19 18930. (a) Except as provided in subdivision (g), any building
20 standard adopted or proposed by state agencies shall be submitted
21 to, and approved or adopted by, the California Building Standards
22 Commission prior to codification. Prior to submission to the
23 commission, building standards shall be adopted in compliance
24 with the procedures specified in Article 5 (commencing with
25 Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of
26 the Government Code. Building standards adopted by state
27 agencies and submitted to the commission for approval shall be
28 accompanied by an analysis written by the adopting agency or
29 state agency that proposes the building standards which shall, to
30 the satisfaction of the commission, justify the approval thereof in
31 terms of the following criteria:

32 (1) The proposed building standards do not conflict with,
33 overlap, or duplicate other building standards.

34 (2) The proposed building standard is within the parameters
35 established by enabling legislation and is not expressly within the
36 exclusive jurisdiction of another agency.

37 (3) The public interest requires the adoption of the building
38 standards. The public interest includes, but is not limited to, health
39 and safety, resource efficiency, fire safety, seismic safety, building
40 and building system performance, and consistency with

1 environmental, public health, and accessibility statutes and
2 regulations.

3 (4) The proposed building standard is not unreasonable,
4 arbitrary, unfair, or capricious, in whole or in part.

5 (5) The cost to the public is reasonable, based on the overall
6 benefit to be derived from the building standards.

7 (6) The proposed building standard is not unnecessarily
8 ambiguous or vague, in whole or in part.

9 (7) The applicable national specifications, published standards,
10 and model codes have been incorporated therein as provided in
11 this part, where appropriate.

12 (A) If a national specification, published standard, or model
13 code does not adequately address the goals of the state agency, a
14 statement defining the inadequacy shall accompany the proposed
15 building standard when submitted to the commission.

16 (B) If there is no national specification, published standard, or
17 model code that is relevant to the proposed building standard, the
18 state agency shall prepare a statement informing the commission
19 and submit that statement with the proposed building standard.

20 (8) The format of the proposed building standards is consistent
21 with that adopted by the commission.

22 (9) The proposed building standard, if it promotes fire and panic
23 safety, as determined by the State Fire Marshal, has the written
24 approval of the State Fire Marshal.

25 (b) In reviewing building standards submitted for its approval,
26 the commission shall consider only the record of the proceedings
27 of the adopting agency, except as provided in subdivision (b) of
28 Section 11359 of the Government Code.

29 (c) Where the commission is the adopting agency, it shall
30 consider the record submitted to, and considered by, the state
31 agency that proposes the building standards and the record of
32 public comment that results from the commission's adoption of
33 proposed regulations.

34 (d) (1) The commission shall give great weight to the
35 determinations and analysis of the adopting agency or state agency
36 that proposes the building standards on each of the criteria for
37 approval set forth in subdivision (a). Any factual determinations
38 of the adopting agency or state agency that proposes the building
39 standards shall be considered conclusive by the commission unless
40 the commission specifically finds, and sets forth its reasoning in

1 writing, that the factual determination is arbitrary and capricious
2 or substantially unsupported by the evidence considered by the
3 adopting agency or state agency that proposes the building
4 standards.

5 (2) Whenever the commission makes a finding, as described in
6 this subdivision, it shall return the standard to the adopting agency
7 or state agency that proposes the building standards for a
8 reexamination of its original determination of the disputed fact.

9 (e) Whenever a building standard is principally intended to
10 protect the public health and safety, its adoption shall not be a
11 “factual determination” for purposes of subdivision (d). Whenever
12 a building standard is principally intended to conserve energy or
13 other natural resources, the commission shall consider or review
14 the cost to the public or benefit to be derived as a “factual
15 determination” pursuant to subdivision (d). Whenever a building
16 standard promotes fire and panic safety, each agency shall, unless
17 adopted by the State Fire Marshal, submit the building standard
18 to the State Fire Marshal for prior approval.

19 (f) Whenever the commission finds, pursuant to paragraph (2)
20 of subdivision (a), that a building standard is adopted by an
21 adopting agency pursuant to statutes requiring adoption of the
22 building standard, the commission shall not consider or review
23 whether the adoption is in the public interest pursuant to paragraph
24 (3) of subdivision (a).

25 (g) Commencing October 1, 2025, to June 1, 2031, inclusive,
26 proposed building standards affecting residential units shall not
27 be considered, approved, or adopted by the commission or any
28 other adopting agency, unless any of the following conditions are
29 met:

30 (1) The commission deems those changes necessary as
31 emergency standards to protect health and safety.

32 (2) The building standards are amendments by the State Fire
33 Marshal to building standards within the California
34 Wildland-Urban Interface Code (Part 7 of Title 24 of the California
35 Code of Regulations).

36 (3) The building standards are proposed for adoption in relation
37 to standards researched pursuant to Section 13108.5.2.

38 (4) The building standards are proposed for adoption pursuant
39 to Section 17921.9, 17921.11, or 18940.7 of this code, or Section
40 13558 of the Water Code.

1 (5) The building standards are necessary to ensure the latest
2 editions of the model codes specified in Section 18916 are
3 incorporated into the triennial edition of the California Building
4 Standards Code, along with any necessary and related state
5 amendments supporting or facilitating the incorporation of the
6 model codes.

7 (6) The building standards are necessary to incorporate errata
8 or emergency updates to the national model codes specified in
9 Section 18916, along with any necessary and related state
10 amendments supporting or facilitating the incorporation of errata
11 or emergency updates to the model codes.

12 (7) The building standards are necessary to incorporate updates
13 to accessibility requirements that align with minimum federal
14 accessibility laws, standards, and regulations.

15 (8) The building standards under consideration would take effect
16 on or after January 1, 2032.

17 SEC. 40. Section 18938.5 of the Health and Safety Code is
18 amended to read:

19 18938.5. (a) Only those building standards approved by the
20 commission, and that are effective at the local level at the time an
21 application for a building permit is submitted, shall apply to the
22 plans and specifications for, and to the construction performed
23 under, that building permit.

24 (b) (1) A local ordinance adding or modifying building
25 standards for residential occupancies, which are published in the
26 California Building Standards Code, shall apply only to an
27 application for a building permit submitted after the effective date
28 of the ordinance and to the plans and specifications for, and the
29 construction performed under, that permit.

30 (2) Paragraph (1) shall not apply to any of the following:

31 (A) A city or county that has been subject to an emergency
32 proclaimed pursuant to the California Emergency Services Act
33 (Chapter 7 (commencing with Section 8550) of Division 1 of Title
34 2 of the Government Code).

35 (B) A permit that is subsequently deemed expired because the
36 building or work authorized by the permit is not commenced within
37 12 months from the date of the permit or the permittee has
38 abandoned the work authorized by the permit.

39 (C) A permit that is subsequently deemed suspended or revoked
40 because the building official has, in writing, suspended or revoked

1 the permit due to its issuance in error or on the basis of incorrect
2 information supplied.

3 (c) No model code made applicable to any additional occupancy
4 shall apply to any project that has been submitted for a building
5 permit prior to the effective date of that model code.

6 (d) Notwithstanding subdivisions (a) to (c), inclusive, the state
7 and local building standards in effect at the time an application for
8 a building permit is submitted, for a residential dwelling based on
9 a model home design approved under those standards, shall apply
10 to all future residential dwellings based on that approved model
11 home design in the same jurisdiction, unless the model home design
12 substantially changes at a later date or 10 years have passed since
13 the building permit for the model home design was approved by
14 the jurisdiction, whichever comes first.

15 SEC. 41. Section 18941.5 of the Health and Safety Code is
16 amended to read:

17 18941.5. (a) (1) Amendments, additions, and deletions to the
18 California Building Standards Code, including, but not limited to,
19 green building standards, adopted by a city, county, or city and
20 county pursuant to Section 18941.5 or pursuant to Section 17958.7,
21 together with all applicable portions of the California Building
22 Standards Code, shall become effective 180 days after publication
23 of the California Building Standards Code by the commission, or
24 at a later date after publication established by the commission.

25 (2) The publication date established by the commission shall
26 be no earlier than the date the California Building Standards Code
27 is available for purchase by the public.

28 (b) Neither the State Building Standards Law contained in this
29 part, nor the application of building standards contained in this
30 section, shall limit the authority of a city, county, or city and county
31 to establish more restrictive building standards, including, but not
32 limited to, green building standards, reasonably necessary because
33 of local climatic, geological, or topographical conditions. The
34 governing body shall make the finding required by Section 17958.7
35 and the other requirements imposed by Section 17958.7 shall apply
36 to that finding. Nothing in this section shall limit the authority of
37 fire protection districts pursuant to subdivision (a) of Section
38 13869.7. Further, nothing in this section shall require findings
39 required by Section 17958.7 beyond those currently required for
40 more restrictive building standards related to housing.

(c) Notwithstanding subdivision (b), and commencing October 1, 2025, to June 1, 2031, inclusive, a city or county shall not establish more restrictive building standards, including, but not limited to, green building standards, that are applicable to residential units, unless one of the following conditions is met:

(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

SEC. 42. Section 18942 of the Health and Safety Code is amended to read:

18942. (a) (1) The commission shall publish, or cause to be published, editions of the code in its entirety once every three years. In the intervening period the commission shall publish, or cause to be published, supplements as necessary. For emergency building standards defined in subdivision (a) of Section 18913, an emergency building standards supplement shall be published whenever the commission determines it is necessary.

(2) Changes adopted during the intervening period described in paragraph (1) shall be limited to only the following:

(A) Technical updates to existing code requirements only to the extent necessary to effectuate support or facilitate the incorporation or implementation of those existing code requirements. The updates shall be limited to clarifying, conforming, or coordinating changes that do not materially alter the substance or intent of the existing code provisions.

(B) Emergency building standards.

1 (C) Amendments by the State Fire Marshal to building standards
2 within the California Wildland-Urban Interface Code (Part 7 of
3 Title 24 of the California Code of Regulations).

4 (D) The building standards are necessary to incorporate errata
5 or emergency updates to the national model codes specified in
6 Section 18916, along with any necessary and related state
7 amendments supporting or facilitating the incorporation of errata
8 or emergency updates to the model codes.

9 (E) Changes or modifications made pursuant to paragraph (6)
10 of subdivision (b) of Section 17958, paragraph (6) of subdivision
11 (c) of Section 17958.5, or paragraph (6) of subdivision (c) of
12 Section 17958.7.

13 (F) Building standards necessary to incorporate updates to
14 accessibility requirements that align with minimum federal
15 accessibility laws, standards, and regulations.

16 (b) The commission shall publish the text of Article 2.5
17 (commencing with Section 115920) of Chapter 5 of Part 10 of
18 Division 104, within the requirements for single-family residential
19 occupancies contained in Part 2.5 of Title 24 of the California
20 Code of Regulations, with the following note:

21
22 “NOTE: These regulations are subject to local government
23 modification. You should verify the applicable local
24 government requirements at the time of application for a
25 building permit.”

26
27 (c) The commission shall publish the text of Section 116064.2
28 within Part 2 of Title 24 of the California Code of Regulations.

29 (d) The commission may publish, stockpile, and sell at a
30 reasonable price the code and materials incorporated therein by
31 reference if it deems the latter is insufficiently available to the
32 public, or unavailable at a reasonable price. Each state department
33 concerned and each city, county, or city and county shall have an
34 up-to-date copy of the code available for public inspection.

35 (e) (1) Each city, county, and city and county, including charter
36 cities, shall obtain and maintain with all revisions on a current
37 basis, at least one copy of the building standards and other state
38 regulations relating to buildings published in Titles 8, 19, 20, 24,
39 and 25 of the California Code of Regulations. These codes shall

1 be maintained in the office of the building official responsible for
2 the administration and enforcement of this part.

3 (2) This subdivision shall not apply to a city or county that
4 contracts for the administration and enforcement of the provisions
5 of this part with another local government agency that complies
6 with this section.

7 SEC. 43. Section 37001 of the Health and Safety Code is
8 amended to read:

9 37001. The term “low-rent housing project,” as defined in
10 Section 1 of Article XXXIV of the California Constitution, does
11 not apply to any development composed of urban or rural
12 dwellings, apartments, or other living accommodations that meets
13 any one of the following criteria:

14 (a) The development is privately owned housing, receiving no
15 ad valorem property tax exemption, other than exemptions granted
16 pursuant to subdivision (f) or (g) of Section 214 of the Revenue
17 and Taxation Code, not fully reimbursed to all taxing entities; and
18 not more than 49 percent of the dwellings, apartments, or other
19 living accommodations of the development may be occupied by
20 persons of low income.

21 (b) The development is privately owned housing, is not exempt
22 from ad valorem taxation by reason of any public ownership, and
23 is not financed with direct long-term financing from a public body.

24 (c) The development is intended for owner-occupancy, which
25 may include a limited equity housing cooperative, as defined in
26 Section 50076.5, or cooperative or condominium ownership, rather
27 than for rental-occupancy.

28 (d) The development consists of newly constructed, privately
29 owned, one-to-four family dwellings not located on adjoining sites.

30 (e) The development consists of existing dwelling units leased
31 by the state public body from the private owner of these dwelling
32 units.

33 (f) The development consists of the rehabilitation,
34 reconstruction, improvement or addition to, or replacement of,
35 dwelling units of a previously existing low-rent housing project,
36 or a project previously or currently occupied by lower income
37 households, as defined in Section 50079.5.

38 (g) The development consists of the acquisition, rehabilitation,
39 reconstruction, improvement, or any combination thereof, of a
40 rental housing development which, prior to the date of the

1 transaction to acquire, rehabilitate, reconstruct, improve, or any
2 combination thereof, was subject to a contract for federal or state
3 public body assistance for the purpose of providing affordable
4 housing for low-income households and maintains, or enters into,
5 a contract for federal or state public body assistance for the purpose
6 of providing affordable housing for low-income households.

7 (h) The development consists of the acquisition, rehabilitation,
8 reconstruction, alterations work, new construction, or any
9 combination thereof, of lodging facilities or dwelling units using
10 any of the following:

11 (1) Moneys received from the Coronavirus Relief Fund
12 established by the federal Coronavirus Aid, Relief, and Economic
13 Security (CARES) Act (Public Law 116-136).

14 (2) Moneys received from the Coronavirus State Fiscal Recovery
15 Fund established by the federal American Rescue Plan Act of 2021
16 (ARPA) (Public Law 117-2).

17 (3) Moneys appropriated and disbursed pursuant to Division 31
18 (commencing with Section 50000) of this code and Part 1
19 (commencing with Section 75200) of Division 44 of the Public
20 Resources Code.

21 (4) An allocation of federal or state low-income housing tax
22 credits from the California Tax Credit Allocation Committee.

23 (5) Moneys appropriated and disbursed pursuant to the
24 Behavioral Health Infrastructure Bond Act of 2024 (Chapter 4
25 (commencing with Section 5965) of Part 7 of Division 5 of the
26 Welfare and Institutions Code).

27 SEC. 44. Section 50058.8 is added to the Health and Safety
28 Code, to read:

29 50058.8. "Capitalized operating reserves" means capitalized
30 funds for assisted units for the purpose of covering potential or
31 projected operating deficits over time, including, but not limited
32 to, operations, supportive services, and rent subsidies.

33 SEC. 45. Section 50222 of the Health and Safety Code is
34 amended to read:

35 50222. (a) Beginning in 2021, in addition to the data required
36 on the report under Section 50221, applicants shall provide the
37 following information for both rounds of program allocations
38 through a data collection, reporting, performance monitoring, and
39 accountability framework, as established by the department:

1 (1) Data collection shall include, but not be limited to,
2 information regarding individuals and families served, including
3 demographic information, information regarding partnerships
4 among entities or lack thereof, and participant and regional
5 outcomes.

6 (2) The performance monitoring and accountability framework
7 shall include clear metrics, which may include, but are not limited
8 to, the following:

9 (A) The number of individual exits to permanent housing, as
10 defined by the United States Department of Housing and Urban
11 Development, from unsheltered environments and interim housing
12 resulting from this funding.

13 (B) Racial equity, as defined by the department in consultation
14 with representatives of state and local agencies, service providers,
15 the Legislature, and other stakeholders.

16 (C) Any other metrics deemed appropriate by the department
17 and developed in coordination with representatives of state and
18 local agencies, advocates, service providers, and the Legislature.

19 (3) Data collection and reporting requirements shall support the
20 efficient and effective administration of the program and enable
21 the monitoring of jurisdiction performance and program outcomes.

22 (b) Based on the data collection, reporting, performance
23 monitoring, and accountability framework established by the
24 department pursuant to subdivision (a), all recipients of a program
25 allocation, no later than April 1 of the year following receipt of
26 funds, and annually on that date thereafter until all funds have been
27 expended, shall submit a report to the department in a format
28 provided by the department.

29 (c) No later than April 1, 2027, each recipient that receives a
30 round 2 program allocation shall submit to the department a final
31 report in a format provided by the department, as well as detailed
32 uses of all program funds.

33 (d) Data collection and data sharing pursuant to this chapter
34 shall be conducted and maintained in accordance with all applicable
35 state and federal privacy and confidentiality laws and regulations.

36 (e) The client information and records of services provided
37 pursuant to this chapter shall be subject to the requirements of
38 Section 10850 of the Welfare and Institutions Code and shall be
39 exempt from inspection under the California Public Records Act

1 (Division 10 (commencing with Section 7920.000) of Part 1 of
2 the Government Code).

3 (f) Notwithstanding any other law, data collected through the
4 administration and operation of this chapter shall be captured based
5 on the Homeless Management Information System data standards
6 set forth by the United States Department of Housing and Urban
7 Development and by any other means specified by the department,
8 and may be shared with other programs to maximize the efficient
9 and effective provision of public benefits and services, and to
10 evaluate this chapter or its impact on other public benefit and
11 services programs.

12 SEC. 46. Section 50223 of the Health and Safety Code is
13 amended to read:

14 50223. (a) In addition to the data required under Sections
15 50221 and 50222, applicants shall provide the following
16 information for all rounds of program allocations through a data
17 collection, reporting, performance monitoring, and accountability
18 framework, as established by the department:

19 (1) (A) Data on the applicant's progress towards meeting their
20 system performance measures, which shall be submitted annually
21 on April 1 of each year reporting through December 31 of the prior
22 year for the duration of the program.

23 (B) If the applicant has not made significant progress toward
24 their system performance measures, the applicant shall submit a
25 description of barriers and possible solutions to those barriers.

26 (C) Applicants that do not demonstrate significant progress
27 towards meeting system performance measures shall accept
28 technical assistance from the department and may also be required
29 to limit the allowable uses of these program funds, as determined
30 by the department.

31 (2) A monthly fiscal report of program funds expended and
32 obligated in each allowable budget category approved in their
33 application for program funds.

34 (b) No later than April 1, 2027, each recipient that receives a
35 round 3 program allocation shall submit to the department a final
36 report in a format provided by the department, as well as detailed
37 uses of all program funds.

38 (c) No later than April 1, 2028, each recipient that receives a
39 round 4 program allocation shall submit to the department a final

1 report in a format provided by the department, as well as detailed
2 uses of all program funds.

3 (d) No later than April 1, 2029, each recipient that receives a
4 round 5 program allocation shall submit to the department a final
5 report in a format provided by the department, as well as detailed
6 uses of all program funds.

7 (e) No later than April 1, 2030, each recipient that receives a
8 round 6 allocation shall submit to the department a final report in
9 a format provided by the department, as well as detailed uses of
10 all program funds.

11 (f) The department shall post the information described in this
12 section on its internet website within 30 days of its receipt of the
13 information, and provide notice to the Senate Committee on
14 Housing, Assembly Committee on Housing and Community
15 Development, and the appropriate budget committees.

16 SEC. 47. Section 50253 of the Health and Safety Code is
17 amended to read:

18 50253. (a) The council shall administer the funding round 1
19 moneys of the program in accordance with the following timelines:

20 (1) The council shall make a program application available no
21 later than October 31, 2021.

22 (2) Applications shall be due to the council no later than
23 December 31, 2021.

24 (3) The council shall make initial award determinations no later
25 than March 1, 2022.

26 (4) If not all funds have been awarded after the first round of
27 grant awards, the council may accept additional applications and
28 make additional awards until all funds have been allocated.

29 (b) (1) Recipients of funding round 1 moneys shall expend at
30 least 50 percent of their allocation by June 30, 2023.

31 (2) Recipients who fail to expend their allocated funds in
32 compliance with this subdivision shall return to the council no less
33 than 25 percent of their total allocation amount for reallocation by
34 the council during subsequent rounds of funding.

35 (c) Recipients of funding round 1 moneys shall expend all
36 program funds no later than June 30, 2024. Any funds not expended
37 by this date shall be returned to the council to be reallocated
38 pursuant to Section 50252.1.

39 (d) (1) Recipients of additional funding round moneys pursuant
40 to subdivision (b) of Section 50252.1 shall expend at least 50

1 percent of their allocation within two fiscal years of the date of
2 the award. Any funds not expended by this date shall be returned
3 to the council and reallocated pursuant to Section 50252.1.

4 (2) Recipients of additional funding round moneys pursuant to
5 subdivision (b) of Section 50252.1 shall obligate 100 percent of
6 their allocation within two fiscal years of the date of the award.

7 (3) Recipients that do not meet requirement in paragraph (2)
8 shall submit to the council within 60 days of the end of the second
9 fiscal year a plan for obligating 100 percent of their allocation
10 within six months.

11 (4) The council may subject recipients that do not meet the
12 requirement in paragraph (2) to additional corrective action
13 determined by the council.

14 (5) Recipients of additional funding round moneys pursuant to
15 subdivision (b) of Section 50252.1 shall expend all program funds
16 within three fiscal years of the date of the award. Any funds not
17 expended by this date shall revert to the fund of origin.

18 (e) (1) Recipients of additional funding round moneys pursuant
19 to subdivision (c) of Section 50252.1 shall expend at least 50
20 percent of their allocation within two fiscal years of the date of
21 the award.

22 (2) Recipients of additional funding round moneys pursuant to
23 subdivision (c) of Section 50252.1 shall obligate 100 percent of
24 their allocation within two fiscal years of the date of the award.

25 (3) Recipients that do not meet the requirement in paragraph
26 (2) shall submit to the council within 60 days of the end of the
27 second fiscal year a plan for obligating 100 percent of their
28 allocation within six months.

29 (4) The council may subject recipients that do not meet the
30 requirement in paragraph (2) to additional corrective action
31 determined by the council.

32 (5) Recipients of additional funding round moneys pursuant to
33 subdivision (c) of Section 50252.1 shall expend all program funds
34 within four fiscal years of the date of the award. Any funds not
35 expended by this date shall revert to the fund of origin.

36 SEC. 48. Section 50406.4 is added to the Health and Safety
37 Code, to read:

38 50406.4. Notwithstanding any other law, and to the extent
39 permitted under federal law and the California Constitution, the
40 department shall allow an owner of a property subject to a

1 regulatory agreement with the department to take out additional
2 debt on the development to finance, with the department's
3 approval, rehabilitation of the property or investment in new
4 affordable housing, if all of the following conditions are met:

5 (a) (1) All hard debt, including the additional debt, is
6 underwritten with a debt-service coverage ratio of at a minimum
7 1.15 and is demonstrated to project positive cash flow for 15
8 consecutive years.

9 (2) For the purposes of this subdivision, "hard debt" means debt
10 that must be repaid via an amortizing payment or at a specified
11 maturity date.

12 (b) Any new debt is subordinate to the department's lien and
13 regulatory agreement, as applicable, unless the department
14 reasonably determines that subordination of the department's lien
15 is necessary for the feasibility of a project and to fund reasonable
16 rehabilitation or improvements, including soft costs.

17 (c) (1) Any extracted equity is any of the following:

18 (A) With the department's approval, contributed to other projects
19 that will increase or improve the supply of deed-restricted
20 affordable housing serving low-income households in the state.

21 (B) Utilized in the purchase of a limited partner interest of a tax
22 credit investor in the project, provided that the amount used to
23 purchase that interest shall be subject to the guidelines adopted
24 pursuant to subdivision (h) of 50560.

25 (C) Utilized in the payment of any unpaid deferred developer
26 fee for the project pursuant to any applicable department
27 regulations.

28 (D) Applied toward payment for necessary repairs and
29 rehabilitation of the project.

30 (E) Utilized for the establishment or replenishment of
31 department-approved project reserves.

32 (F) Utilized for any other purposes approved by the department.

33 (2) For the purposes of this subdivision, "extracted equity"
34 means debt added to a department-regulated property that is not
35 used for any of the following purposes:

36 (A) Approved project rehabilitation work.

37 (B) To pay off existing debt.

38 (C) Replenishment of reserves.

39 (D) Other department-approved project specific uses.

1 (d) The department's regulatory agreement remains in place for
2 the project for its remaining term. If equity is extracted for purposes
3 of paragraph (1) of subdivision (c), the department's regulatory
4 agreement will be recorded in a senior position.

5 (e) The department continues to be entitled to receive monitoring
6 fees to ensure compliance with the existing regulatory agreement.

7 SEC. 49. Section 50410 is added to the Health and Safety Code,
8 to read:

9 50410. (a) There is hereby established in the State Treasury
10 the Affordable Housing Default Reserve Account. All interest or
11 other increments resulting from the investment of moneys in the
12 Affordable Housing Default Reserve Account shall be deposited
13 in the account, notwithstanding Section 16305.7 of the Government
14 Code.

15 (b) Notwithstanding Section 13340 of the Government Code,
16 all moneys in the account are continuously appropriated to the
17 department for the purpose of curing or averting a default on the
18 terms of any loan or other obligation by the recipient of financial
19 assistance, or bidding at any foreclosure sale where the default or
20 foreclosure sale would jeopardize the department's security in the
21 rental housing development assisted by the department.

22 (c) The department may use funds in the account to repair or
23 maintain any rental housing development assisted by the
24 department that was acquired to protect the department's security
25 interest.

26 (d) The payment or advance of funds by the department from
27 the account shall be exclusively within the department's discretion,
28 and no person shall be deemed to have any entitlement to the
29 payment or advance of those funds.

30 (e) The amount of any funds expended by the department for
31 the purposes of curing or averting a default shall be added to the
32 loan amount secured by the rental housing development and shall
33 be payable to the department upon demand.

34 (f) Notwithstanding any other law, the Department of Finance
35 may transfer to the Affordable Housing Default Reserve Account,
36 for expenditure by the department, the amounts in the all of the
37 following funds or programs:

38 (1) The Joe Serna, Jr. Farmworker Housing Grant Fund, pursuant
39 to Section 50517.6.

1 (2) The Multifamily Housing Program, pursuant to subdivision
2 (a) of Section 50675.10.

3 (3) The Housing Rehabilitation Loan Fund, pursuant to
4 subparagraph (C) of paragraph (5) of subdivision (b) of Section
5 50668.5, subdivision (c) of Section 53566, subdivision (c) of
6 Section 987.010 of the Military and Veterans Code, and
7 subdivisions (c) and (f) of Section 75218 of the Public Resources
8 Code.

9 (4) The Transit-Oriented Development Implementation Fund,
10 pursuant to subdivision (f) of Section 53566.

11 (5) The Housing for Veterans Fund, pursuant to subdivision (f)
12 of Section 987.010 of the Military and Veterans Code.

13 (6) The No Place Like Home Fund, pursuant to paragraph (1)
14 of subdivision (f) of Section 5849.8 of the Welfare and Institutions
15 Code.

16 (7) The Family Housing Demonstration Account and the Rental
17 Housing Construction Fund, pursuant to subdivision (b) of Section
18 50883.5.

19 (g) Notwithstanding Section 10231.5 of the Government Code,
20 during any fiscal year, if the department spends a total of more
21 than 25 percent of the balance that was in the Affordable Housing
22 Default Reserve Account at the start of that fiscal year, then the
23 department shall, within 30 days of surpassing that amount, provide
24 written notice to the Joint Legislative Budget Committee. The
25 notice shall include all of the following:

26 (A) The starting balance in the Affordable Housing Default
27 Reserve Account for that fiscal year.

28 (B) A list of each expenditure made during that fiscal year and
29 the total amount spent.

30 (C) The purpose of each expenditure made during that fiscal
31 year.

32 (D) The balance in the Affordable Housing Default Reserve
33 Account as of the date of the notice.

34 (E) The department's assessment of the risk of additional
35 defaults for the remainder of that fiscal year and the following
36 fiscal year.

37 SEC. 50. Section 50515.10 of the Health and Safety Code is
38 amended to read:

39 50515.10. (a) (1) Subject to paragraph (2), an eligible entity
40 that receives an allocation of program funds pursuant to Section

1 50515.08 shall submit a report, in the form and manner prescribed
2 by the department, to be made publicly available on its internet
3 website, by April 1 of the year following the receipt of those funds,
4 and annually thereafter until those funds are expended, that
5 includes, but is not limited to, the following information:

6 (A) The status of the proposed uses and expenditures listed in
7 the eligible entity's application for funding and the corresponding
8 impact, including, but not limited to, housing units accelerated and
9 reductions in per capita vehicle miles traveled.

10 (B) All status and impact reports shall be categorized based on
11 the eligible uses specified in Section 50515.08.

12 (2) The department may request additional information, as
13 needed, to meet other applicable reporting or audit requirements.

14 (b) The department shall maintain records of the following and
15 provide that information publicly on its internet website:

16 (1) The name of each applicant for program funds and the status
17 of that entity's application.

18 (2) The number of applications for program funding received
19 by the department.

20 (3) The information described in subdivision (a) for each
21 recipient of program funds.

22 (c) A recipient of funds under this program shall post, make
23 available, and update, as appropriate on its internet website, land
24 use maps and vehicle miles traveled generation maps produced in
25 the development of its adopted sustainable communities strategy.

26 (d) A recipient of funds under this program shall collaborate
27 and share progress, templates, and best practices with the
28 department and fellow recipients in implementation of funds. To
29 the greatest extent practicable, adjacent eligible entities shall
30 coordinate in the development of applications, consider potential
31 for joint activities, and seek to coordinate housing and
32 transportation planning across regions.

33 (e) (1) A recipient of funds under the program shall expend
34 those funds no later than December 31, 2026.

35 (2) The final invoice submission deadline to reimburse those
36 funds shall be June 30, 2027.

37 (3) No later than June 30, 2027, each eligible entity that receives
38 an allocation of funds pursuant to Section 50515.08 shall submit
39 a final report on the use of those funds to the department, in the
40 form and manner prescribed by the department. The report required

1 by this paragraph shall include an evaluation of actions taken in
2 support of the entity's proposed uses of those funds, as specified
3 in the entity's application, including, but not limited to, housing
4 units accelerated and per capita reductions in vehicle miles traveled.

5 (f) (1) If an eligible entity described in paragraphs (1) to (6),
6 inclusive, of subdivision (a) of Section 50515.08 that received an
7 allocation of funds pursuant to Section 50515.08 has unexpended
8 funds after December 31, 2026, the department may, pursuant to
9 procedures prescribed by the department, make those funds
10 available to other eligible entities described in paragraphs (1) to
11 (6), inclusive, of subdivision (a) of Section 50515.08 for
12 reimbursement of other expenditures incurred prior to December
13 31, 2026, that were included in an application approved pursuant
14 to paragraph (2) of subdivision (c) of Section 50515.08 no later
15 than December 31, 2027.

16 (2) Paragraph (1) applies to all eligible entities, including an
17 eligible entity that received a suballocation from an eligible entity
18 described in paragraphs (1) to (6), inclusive, of subdivision (a) of
19 Section 50515.08.

20 (g) The department may monitor expenditures and activities of
21 an applicant, as the department deems necessary, to ensure
22 compliance with program requirements.

23 (h) The department may, as it deems appropriate or necessary,
24 request the repayment of funds from an applicant, or pursue any
25 other remedies available to it by law for failure to comply with
26 program requirements.

27 (i) The department, in collaboration with the Office of Land
28 Use and Climate Innovation, the Strategic Growth Council, and
29 the State Air Resources Board, may implement the program
30 through the issuance of forms, guidelines, application materials,
31 funding allocation methodologies, and one or more notices of
32 funding availability, as the department deems necessary, to exercise
33 the powers and perform the duties conferred on it by this chapter.
34 Any forms, guidelines, application materials, funding allocation
35 methodologies, or notices of funding availability prepared or
36 adopted pursuant to this section are exempt from the rulemaking
37 provisions of the Administrative Procedure Act (Chapter 3.5
38 (commencing with Section 11340) of Part 1 of Division 3 of Title
39 2 of the Government Code).

1 (j) The department's decision to approve or deny an application
2 or request for funding pursuant to the program, and its
3 determination of the amount of funding to be provided or request
4 for repayment or other remedies for failure to comply with program
5 requirements, shall be final.

6 SEC. 51. Section 50560 of the Health and Safety Code is
7 amended to read:

8 50560. (a) Subject to the requirements of this chapter, the
9 department may approve an extension of a department loan, the
10 reinstatement of a qualifying unpaid matured loan, the
11 subordination of a department loan to new debt, the payoff of a
12 department loan in whole or part before the end of its term, the
13 extraction of equity from a development for purposes set forth in
14 subdivision (c) of Section 50406.4, or an investment of tax credit
15 equity under one or more of the following rental housing finance
16 programs: the original Rental Housing Construction Program
17 established by Chapter 9 (commencing with Section 50735), the
18 Special User Housing Rehabilitation Program established by
19 Section 50670, the Deferred-Payment Rehabilitation Loan Program
20 established by Chapter 6.5 (commencing with Section 50660), the
21 rental component of the California Natural Disaster Assistance
22 Program established by Chapter 6.5 (commencing with Section
23 50671), the State Earthquake Rehabilitation Assistance Program
24 established by Chapter 6.5 (commencing with Section 50671), the
25 rental component of the California Housing Rehabilitation Program
26 established by Section 50668.5, the component of the Rental
27 Housing Construction Program funded with bond proceeds
28 governed by Section 50771.1, the Family Housing Demonstration
29 Program established by Chapter 15 (commencing with Section
30 50880), the Families Moving to Work Program established by
31 Chapter 15 (commencing with Section 50880), the Multifamily
32 Housing Program established by Chapter 6.7 (commencing with
33 Section 50675), and any and all other multifamily housing loans
34 funded or monitored by the department.

35 (b) Once the department has approved a loan extension,
36 reinstatement of a qualifying unpaid matured loan, subordination,
37 payoff of a department loan in whole or part before the end of its
38 term, extraction of equity from a development for purposes set
39 forth in subdivision (c) of Section 50406.4, or tax credit investment
40 pursuant to this chapter, the statutes enumerated in subdivision

1 (a), and the regulations or guidelines promulgated pursuant to these
2 statutes, shall no longer apply to developments restructured
3 pursuant to this chapter. These developments shall instead be
4 governed by this chapter and guidelines adopted pursuant to
5 subdivision (h).

6 (c) All projects restructured pursuant to this chapter shall comply
7 with the affirmative marketing and language accessibility
8 requirements set forth in Section 50736 of this code and Section
9 65863 of the Government Code.

10 (d) The department may approve an extension of a loan, the
11 reinstatement of a qualifying unpaid matured loan, the
12 subordination of a department loan to new debt, the payoff of a
13 department loan in whole or part before the end of its term, the
14 extraction of equity from a development for purposes set forth in
15 subdivision (c) of Section 50406.4, or an investment of tax credit
16 equity if it determines that the project has, or will have after
17 rehabilitation or repairs, a potential remaining useful life equal to
18 or greater than the term of the department's regulatory agreement.
19 Eligible uses of loan and equity sources under this subdivision
20 include, but are not limited to, the purchase of a limited partner
21 interest of a tax credit investor in the project, payment of any
22 unpaid deferred developer fee for the project, payment for
23 necessary repairs and rehabilitation of the project, and the
24 establishment or replenishment of department-approved project
25 reserves.

26 (e) The department may subordinate its loan to refinance existing
27 senior debt for eligible activities pursuant to subdivision (d) and
28 to reimburse borrower advances for predevelopment costs,
29 unreimbursed capital improvements, and unreimbursed operating
30 deficits, only if it determines that the department's security is not
31 negatively impacted and the requirements of Section 50406.4 are
32 satisfied, and provided that the reimbursements shall be subject to
33 the guidelines adopted pursuant to subdivision (h) of Section
34 50560. The department shall not withhold consent unreasonably.

35 (f) If the extension of a department loan, the reinstatement of a
36 qualifying unpaid matured loan, the subordination of a department
37 loan to new debt, or an investment of tax credit equity will result
38 in a rent increase for tenants of a development exceeding the annual
39 adjustment to the tenants' rents under the department's regulatory
40 agreement, except as reasonably necessary, in the sole discretion

1 of the department, for the feasibility of the project, the department
2 may only subordinate a loan to senior debt if necessary for the
3 feasibility of a project and to fund reasonable rehabilitation or
4 improvements including soft costs. The application to refinance
5 shall include a third-party analysis that supports the need for
6 refinancing. The department shall not approve the extraction of
7 equity from a development for purposes set forth in paragraph (1)
8 of subdivision (c) of Section 50406.4, if it will result in a rent
9 increase for tenants of a development exceeding the annual
10 adjustment to the tenants' rents under the department's regulatory
11 agreement.

12 (g) The department may approve additional senior debt only as
13 necessary for eligible activities pursuant to subdivision (d), and
14 only as necessary to finance rehabilitation or repairs, including
15 soft costs, that are reasonable in size, scope, and cost, as determined
16 by the department. In approving additional senior debt, the
17 department may consider information from third-party capital
18 needs assessment reports.

19 (h) It is the intent of the Legislature in enacting this chapter to
20 provide to the department the flexibility necessary to maintain the
21 quality of the affordable rental housing units for which the state
22 has already made a significant public investment. The department
23 may implement this chapter through guidelines that shall not be
24 subject to Chapter 3.5 (commencing with Section 11340) of Part
25 1 of Division 3 of Title 2 of the Government Code. These
26 guidelines shall be developed through the following process:

27 (1) The department shall provide a notice of proposed action as
28 described in Section 11346.5 of the Government Code to the public
29 at least 21 days before the close of the public comment period.

30 (2) The department shall schedule at least one public hearing
31 as described in Section 11346.8 of the Government Code before
32 the close of the public comment period.

33 (3) The department shall maintain a rulemaking file as described
34 in Section 11347.3 of the Government Code.

35 (4) The final version of the guidelines shall be accompanied by
36 a final statement of reason as described in subdivision (a) of
37 Section 11346.9 of the Government Code.

38 (5) The rules and guidelines shall be effective immediately upon
39 adoption by the department.

1 SEC. 52. Section 50561 of the Health and Safety Code is
2 amended to read:

3 50561. (a) The department may approve an extension of an
4 existing rental housing development loan or regulatory agreement,
5 if the extension facilitates the reinstatement of a qualifying unpaid
6 matured loan, the subordination of a department loan to new debt,
7 the extraction of equity from a development for purposes set forth
8 in subdivision (c) of Section 50406.4, or an investment of tax credit
9 equity, only if the rental housing development is being operated
10 in a manner consistent with the regulatory agreement and the
11 development requires an extension in order to continue to operate
12 in a manner consistent with this chapter. Each extension shall be
13 for a period of not less than 10 years and each extension shall not
14 exceed 55 years, or 58 years if needed to match the term of tax
15 credit restrictions. The interest rate shall be 3 percent simple
16 interest. All loan payments shall be deferred for the full term of
17 the loan, except for residual receipts payments. These residual
18 receipts payments shall be structured to avoid reducing the amount
19 of payments on local public agency loans resulting solely from
20 changes in the payment terms on the department's loan, and not
21 resulting from fees or other payments to the borrower, and shall
22 otherwise be consistent with the provisions of the department's
23 Uniform Multifamily Regulations or successor regulations. The
24 department may charge a monitoring fee to cover the aggregate
25 monitoring costs it incurs from the date of the recordation of the
26 loan or regulatory documents regarding any of the eligible activities
27 pursuant to this subdivision, and may charge a transaction fee or
28 other fee to cover its costs for processing restructuring transactions.
29 The monitoring fees shall continue until the end of the term of the
30 department regulatory agreement, notwithstanding any payoff of
31 the department loan, and the monitoring fees shall not be
32 diminished in the event of any paydown of the department loan.
33 The department may waive or defer some or all fees, if it
34 determines that a particular development or class of developments
35 does not have the ability to make these payments, or if necessary,
36 in the sole discretion of the department, for the feasibility of the
37 project. In determining the fees and payments to be charged, the
38 department shall seek to share monitoring activities with other
39 regulatory agencies and to minimize the impact on tenants with

1 the lowest incomes and on the capacity of the developments to
2 support private debt or secure tax credit investments.

3 (b) To the minimum extent necessary to support new debt to
4 pay for rehabilitation, but not for extraction of equity, rents for
5 assisted units in these developments may be adjusted pursuant to
6 the department guidelines and Section 42 of the Internal Revenue
7 Code. This rehabilitation shall be determined by the department
8 to be demonstrably necessary, based on third-party assessment
9 and on the department's own inspection, if the department deems
10 an inspection necessary. Assisted units in developments with a
11 specific, department-approved plan to undertake the necessary
12 rehabilitation, at a level that equals or exceeds the minimum
13 per-unit rehabilitation cost standards under the low-income housing
14 tax credit program, may be adjusted as follows:

15 (1) For developments originally financed under the bond-funded
16 component of the Rental Housing Construction Program pursuant
17 to Section 50771.1, and the Family Housing Demonstration
18 Program, rents may be increased up to a maximum of 30 percent
19 of 60 percent of area median income, for units designated in the
20 development's original regulatory agreement as lower income
21 units, and up to a maximum of 30 percent of 35 percent of area
22 median income, for units designated in the development's original
23 regulatory agreement as very low income units.

24 (2) For developments originally financed under other programs
25 that calculate income levels and rent limits consistent with the
26 calculation methodology used under the low-income housing tax
27 credit program and the Multifamily Housing Program, the income
28 and rent limits under those programs shall be preserved in
29 accordance with the applicable requirements of those programs,
30 and rent increases shall be subject to the applicable requirements
31 of those programs, all to the extent that the income, rent, and rent
32 increase requirements continue to apply to the developments under
33 those programs.

34 (3) Developments originally financed under other programs that
35 require formula-based rents for at least 35 percent of the assisted
36 units, or as specified in the original regulatory agreement governing
37 the development, whichever is greater, shall be restricted to the
38 midlevel target used by the Multifamily Housing Program. Rents
39 for the balance of the assisted units may be increased up to a
40 maximum of 30 percent of 60 percent of area median income. For

purposes of this paragraph, “midlevel target used by the Multifamily Housing Program” shall mean either of the following:

(A) For counties with an area median income of 110 percent or less of state median income, it shall mean 30 percent of 30 percent of state median income, expressed as a percentage of area median income.

(B) For counties with an area median income that exceeds 110 percent of the state median income, it shall mean 30 percent of 35 percent of state median income, expressed as a percentage of area median income.

(c) Rent increases for tenants living in assisted units at the time of restructuring pursuant to this chapter shall be limited as follows:

(1) For existing tenants with incomes not exceeding 35 percent of area median income, increases shall be limited to 5 percent per year, until the rents reach the levels set under subdivision (b).

(2) For existing tenants with incomes exceeding 35 percent of area median income, increases shall be limited to 10 percent per year, until they reach the levels specified in paragraphs (1) and (2) of subdivision (b) of Section 50561.

(3) It is the intent of the Legislature that rent increases for existing tenants authorized by this subdivision shall not be greater than necessary to ensure the financial feasibility of the project. The projected maximum rent for tenants in assisted units, as determined by subdivision (b), shall not exceed 50 percent of the household’s actual income. This requirement shall be applied using maximum rent levels and household incomes determined at the time of restructuring or at the time of the department’s approval of the restructuring.

(4) If the refinance of a loan results in a rent increase, the project sponsor shall provide tenants with the following notifications:

(A) Notice six months before the scheduled rent increase with an estimate of the amount of the increase.

(B) Notice 90 days before the actual increase with the exact amount of the new rent.

(d) If existing tenants move, the rent for these units may be increased immediately up to the level specified in paragraphs (1), (2), and (3) of subdivision (b). The income limit for new tenants shall correspond with the rent limit set pursuant to paragraphs (1), (2), and (3) of subdivision (b).

(e) Once rents achieve the levels set forth in paragraphs (1), (2), and (3) of subdivision (b), income levels and rent limits shall be calculated consistent with the calculation methodology used under the Low Income Housing Tax Credit program and the Multifamily Housing Program, and rent increases shall be based on increases in the area median income.

(f) Eligible households displaced as a result of rehabilitation pursuant to this section shall be accorded first priority in occupying comparable units in the development from which they were displaced, subsequent to rehabilitation. Tenants of rental housing developments repaired with assistance provided under this chapter who are temporarily or permanently displaced as a result of rehabilitation or other repair work, shall be entitled to relocation benefits pursuant to, and subject to, the requirements of Section 7260 of the Government Code. Sponsors of assisted rental housing developments shall be responsible for providing the benefits and assistance. The costs of the benefits and the assistance provided to tenants shall be eligible for funding by a loan provided pursuant to this section.

(g) The guidelines adopted by the department pursuant to subdivision (h) of Section 50560 shall be patterned after the regulations governing the Multifamily Housing Program, including the Uniform Multifamily Regulations, except that the department may adopt different standards for the following factors:

(1) Commercial vacancy loss assumptions must reflect project operating history.

(2) Debt service coverage ratios.

(3) Payment terms and principal amount of senior debt, considering financial market conditions, including costs and department risk, as determined by the department.

(4) Developer fee limitations shall be consistent with California Tax Credit Allocation Committee regulations for inclusion in the basis for projects receiving 9 percent tax credits, for projects receiving the special rent increases contemplated by this chapter, and, consistent with the requirements of other funding sources, for projects not receiving special rent increases, but developer fees shall not exceed the amount allowed by the California Tax Credit Allocation Committee regulations for projects receiving 9 or 4 percent tax credits, as applicable, and shall not exceed 25 percent of actual rehabilitation costs where there is no tax credit

resyndication. Developer fees shall only be payable in the event of a resyndication involving major rehabilitation, as defined by the California Tax Credit Allocation Committee in regulations.

(5) Replacement reserve deposit amounts must be based on projected costs over 20 years, adjusted for inflation, and as shown in an independent replacement reserve analysis.

(h) It is the intent of the Legislature in enacting this section that the department shall manage its reserves for the original Rental Housing Construction Program in a manner that will allow for the continuation of benefits to current low-income tenants for the longest period of time possible up to the term of the original regulatory agreement or the depletion of the annuity funds, whichever occurs first. Accordingly, rents for those households in units subsidized by the annuity fund established pursuant to Section 50748 may be increased to 30 percent of household income. A household affected by the rent increase permitted by this subdivision shall be given at least 90 days advanced notice of the increase.

(i) (1) The department shall, within available resources, post on its internet website information regarding household incomes and rents for developments approved for restructuring.

(2) The information shall be provided within six months of a restructuring and, thereafter, no less than every three years.

(3) The information shall include the following or similar information:

(A) The monthly rent of each household at the time of restructuring.

(B) The current monthly rent of each household.

(C) The annual income of each household as a percentage of area median income at the time of restructuring.

(D) The current income of each household as a percentage of area median income.

SEC. 53. Section 50562 of the Health and Safety Code is amended to read:

50562. (a) If a department loan is extended, subordinated, or paid off before the end of its term, the department approves the reinstatement of a qualifying unpaid matured loan, the department approves the extraction of equity from a development, or a new tax credit investment occurs, then the department shall enter into a new regulatory agreement with the development's owner, or

1 amend the existing agreement, and may add another regulatory
2 agreement if the department determines it necessary. The agreement
3 shall be binding upon the development's owner and successors in
4 interest upon sale or transfer of the development property,
5 regardless of any prepayment of the loan. The agreement shall be
6 recorded in the office of the county recorder in the county in which
7 the development is located. The new or amended regulatory
8 agreement shall:

9 (1) Set standards for tenant selection to ensure occupancy by
10 the eligible households.

11 (2) Govern the terms of occupancy agreements.

12 (3) Restrict rents for assisted units, consistent with this chapter,
13 and require reports to confirm all of the following:

14 (A) Compliance with these rent restrictions.

15 (B) The qualification of tenants under applicable income
16 restrictions consistent with this chapter.

17 (C) The special populations being served.

18 (D) That any required tenant services are being provided
19 consistent with this chapter.

20 (4) Provide for periodic inspections by the department.

21 (5) Require occupancy and financial reports, and financial audits
22 for the development, unless waived by the department if the
23 department loan is paid off and the waiver may be rescinded in
24 the sole determination of the department.

25 (6) Govern the use of operating income for the development,
26 unless waived by the department if the department loan is paid off
27 and the waiver may be rescinded in the sole determination of the
28 department.

29 (7) Govern the use of reserves for the development, unless
30 waived by the department if the department loan is paid off and
31 the waiver may be rescinded in the sole determination of the
32 department.

33 (8) Have a term for not less than the term of the loan, including
34 any extension.

35 (9) Include other provisions necessary to carry out the purposes
36 of this chapter.

37 (b) The development's owner shall agree to replace or amend
38 any other loan document to accomplish the purposes of this chapter.

39 SEC. 54. Section 53560 of the Health and Safety Code is
40 amended to read:

1 53560. (a) There is hereby established the Transit-Oriented
2 Development Implementation Program, to be administered by the
3 Department of Housing and Community Development, to provide
4 local assistance to cities, counties, cities and counties, transit
5 agencies, eligible tribal applicants as defined in subdivision (b) of
6 Section 50651, and developers for the purpose of supporting the
7 development of higher density vehicle miles traveled-efficient
8 affordable housing or related infrastructure, including projects
9 within close proximity to transit stations or projects that could
10 increase public transit ridership.

11 (b) The department may adopt additional guidelines to
12 administer this part. Guidelines adopted pursuant to this subdivision
13 shall not be subject to the requirements of Chapter 3.5
14 (commencing with Section 11340) of Part 1 of Title 2 of the
15 Government Code.

16 (c) The guidelines in subdivision (b) shall emphasize the
17 importance of long-term affordability. Prioritization among
18 affordable housing projects shall be based on all of the following:

19 (1) Affordability, with highest priority given to projects that
20 include a greater percentage of units restricted to lower income
21 households, as defined in Section 50079.5.

22 (2) Affordable housing projects that result in improved vehicle
23 miles traveled efficiency with committed state or federal funding
24 in need of gap funding to begin construction.

25 (3) Affordable housing projects that demonstrate project
26 readiness, as determined by the department.

27 (d) The guidelines in subdivision (b) may evaluate how publicly
28 owned land, including state and local surplus properties, can be
29 prioritized or leveraged to support affordable housing or related
30 infrastructure projects eligible for funding pursuant to this section,
31 with the goal of maximizing public benefit and reducing overall
32 development costs.

33 SEC. 55. Section 53562 of the Health and Safety Code is
34 amended to read:

35 53562. (a) To the extent that funds are available, the
36 department may make grants to cities, counties, cities and counties,
37 eligible tribal applicants as defined in subdivision (b) of Section
38 50651, or transit agencies for the provision of infrastructure
39 necessary for the development of higher density vehicle miles
40 traveled-efficient affordable housing or related infrastructure

1 project. Any award of program funds as a grant shall be made
2 pursuant to (1) the priority order set forth in paragraph (1) of
3 subdivision (c) of Section 21080.44 of the Public Resources Code
4 and (2) considerations, including, but not limited to, the
5 discretionary considerations set forth in paragraph (2) of
6 subdivision (c) of Section 21080.44 of the Public Resources Code.
7 Any award may be made either through a competitive or
8 over-the-counter basis.

9 (b) To the extent that funds are available, the department may
10 make repayable loans or forgivable loans for the development and
11 construction of vehicle miles traveled-efficient affordable housing.
12 Any award of repayable loans or forgivable loans shall be made
13 pursuant to (1) the priority order set forth in paragraph (1) of
14 subdivision (c) of Section 21080.44 of the Public Resources Code
15 and (2) considerations, including, but not limited to, the
16 discretionary considerations set forth in paragraph (2) of
17 subdivision (c) of Section 21080.44 of the Public Resources Code.

18 (c) For vehicle miles traveled-efficient affordable housing
19 projects, to be eligible for a grant pursuant to subdivision (a) or a
20 repayable loan or forgivable loan pursuant to subdivision (b), the
21 housing development project shall meet all of the following:

22 (1) At least 20 percent of the units in the proposed development
23 shall be made available at an affordable rent or at an affordable
24 housing cost to persons of very low or low income for at least 55
25 years. The project shall be subject to an affordability requirement
26 under which not less than 20 percent of the total units shall be
27 restricted to lower income households, as defined in Section
28 50079.5, for a period of not less than 55 years. If the project is
29 subject to any other public funding, regulatory agreement, or
30 financial assistance that imposes an affordability requirement that
31 exceeds 20 percent of the total units, then the project shall comply
32 with the requirements associated with that funding source.

33 (2) A housing development project may include a mixed-use
34 development consisting of residential and nonresidential uses.

35 (3) Meet minimum density requirements, as established by the
36 department.

37 (4) If applicable, demonstrate consistency with the applicable
38 region's sustainable communities strategy adopted pursuant to
39 Section 65080 of the Government Code or alternative planning
40 strategy pursuant to Section 65080 of the Government Code.

1 (5) Meet any other threshold requirement established by the
2 department.

3 (d) With respect to grants made pursuant to subdivision (a) or
4 repayable loans or forgivable loans pursuant to subdivision (b) for
5 the development of rental housing, the department may do any or
6 a combination of the following:

7 (1) Make program funds available at the same time it makes
8 funds, if any, available under the Multifamily Housing Program
9 (Chapter 6.7 (commencing with Section 50675) of Part 2).

10 (2) Rate and rank applications in a manner consistent with the
11 Multifamily Housing Program (Chapter 6.7 (commencing with
12 Section 50675) of Part 2), except that the department may establish
13 additional point categories for the purposes of rating and ranking
14 applications that seek funding pursuant to this subdivision in
15 addition to those used in the Multifamily Housing Program.

16 (3) Administer funds in a manner consistent with the
17 Multifamily Housing Program (Chapter 6.7 (commencing with
18 Section 50675) of Part 2). However, in furtherance of the purposes
19 of the Transit-Oriented Development Implementation Program,
20 the department may alternatively accept applications on an
21 over-the-counter basis and confirm compliance with threshold
22 requirements in order to make awards of Transit-Oriented
23 Development Implementation Program funds.

24 (e) (1) With respect to loans for the development of
25 owner-occupied housing, the department shall do all of the
26 following:

27 (A) Make funds available at the same time it makes funds, if
28 any, available under the CalHome Program (Chapter 6
29 (commencing with Section 50650) of Part 2).

30 (B) Rate and rank applications in a manner consistent with the
31 CalHome Program (Chapter 6 (commencing with Section 50650)
32 of Part 2), except that the department may establish additional
33 point categories for the purposes of rating and ranking applications
34 that seek funding pursuant to this subdivision in addition to those
35 used in the CalHome Program.

36 (C) Administer funds in a manner consistent with the CalHome
37 Program (Chapter 6 (commencing with Section 50650) of Part 2).

38 (2) Notwithstanding paragraph (1), for the purposes of the
39 program established pursuant to Section 21080.44 of the Public
40 Resources Code, the department shall ensure that administration

1 of the CalHome Program (Chapter 6 (commencing with Section
2 50650) of Part 2) aligns with the affordability objectives, eligible
3 uses, availability of grants or loans, and timing requirements of
4 the Transit-Oriented Development Implementation Program.

5 (f) With respect to any moneys appropriated or allocated for
6 the purposes of this part, the department shall determine the
7 amounts, if any, to be made available for each of the purposes
8 described in subdivisions (a) to (e), inclusive.

9 (g) Only applications meeting the applicable threshold
10 requirements of subdivisions(a) to (e), inclusive, shall be eligible
11 to receive funds pursuant to this part.

12 (h) As used in this part, “infrastructure” may include any or a
13 combination of paragraphs (1) to (3), inclusive.

14 (1) Capital improvements required by a city, county, city and
15 county, eligible tribal applicant as defined in subdivision (b) of
16 Section 50651, transit agency, or special district as a condition for
17 the development of the affordable housing, including but not
18 limited to, sewer or water system upgrades, streets, construction
19 of drainage basins, utility access, connection or relocation, and
20 noise mitigation.

21 (2) Capital improvements that clearly and substantially enhance
22 public pedestrian or bicycle access from one or more specifically
23 identified housing developments within the areas identified in
24 paragraph (1) of subdivision (c) of Section 21080.44 of the Public
25 Resources Code, including, but not limited to, pedestrian walkways,
26 plazas, or mini-parks, signal lights, streetscape improvements,
27 security enhancements, bicycle lanes, intelligent transportation,
28 and information systems.

29 (3) Capital improvements for the construction, rehabilitation,
30 as defined in Section 50096, including improvements and repairs
31 made to a residential structure acquired for the purpose of
32 preserving its affordability, acquisition, or other physical
33 improvement that is an integral part or necessary to facilitate the
34 development of the housing development.

35 SEC. 56. Section 53568 is added to the Health and Safety Code,
36 to read:

37 53568. (a) The Office of Land Use and Climate Innovation
38 shall, subject to appropriation, and, with the agreement of the
39 Regents of the University of California, contract with the
40 University of California to conduct an evaluation of the mitigation

measures used by projects participating in the TOD Implementation Program to reduce vehicle miles traveled. The evaluation shall summarize the different categories of mitigation measures utilized across regions, the types of projects implementing those measures, the estimated annual vehicle miles traveled reductions achieved, total costs to construct or implement the mitigation measures, project-level funding contributions, cost per vehicle miles traveled reduced, and per capita vehicle miles traveled reduction.

(b) The evaluation shall also assess how the mitigation measures used under the Transit-Oriented Development Implementation Program complement other vehicle miles traveled mitigation options and strategies.

(c) The Office of Land Use and Climate Innovation shall complete this evaluation and submit, in compliance with Section 9795 of the Government Code, a report to the Legislature on or before July 1, 2031.

~~SEC. 57. Section 1770.1 is added to the Labor Code, to read:~~

~~1770.1. (a) Notwithstanding any other law, the Director of Industrial Relations shall not consider wages for work on any housing development project, as defined in Section 65589.5 of the Government Code, in the determination of the prevailing rate of per diem wages pursuant to Section 1770, in accordance with the standards set forth in Section 1773.~~

~~(b) Notwithstanding subdivision (a), a housing development project, as defined in Section 65589.5 of the Government Code, that is subject to this article shall be paid in accordance with the requirements of this article.~~

~~SEC. 58.~~

SEC. 57. Section 21080.43 is added to the Public Resources Code, to read:

21080.43. The Legislature finds and declares all of the following:

(a) The Legislature reaffirms that the California Environmental Quality Act (CEQA) established longstanding legal requirements for the imposition of mitigation measures on projects.

(b) Specifically, CEQA requires that mitigation measures:

(1) Be feasible, meaning capable of being accomplished in a successful manner within a reasonable timeframe, taking into account economic, environmental, legal, social, and technological factors.

1 (2) Be roughly proportional to the impacts of the project.

2 (3) Be supported by substantial evidence demonstrating a
3 reasonable relationship, or “nexus,” between the mitigation and
4 the impact it is intended to address.

5 (c) The Legislature further reaffirms that mitigation frameworks,
6 including those aimed at addressing cumulative impacts such as
7 vehicle miles traveled, must comply with these longstanding
8 requirements that provide legal certainty, and equitable treatment
9 of projects.

10 (d) Guidelines shall be developed in a manner that reflects and
11 upholds these established principles.

12 (e) The Legislature further finds that existing guidance has been
13 established in CEQA guidelines and subsequent technical
14 advisories for addressing transportation impacts under CEQA.
15 Impact analysis under CEQA is a dynamic process, continually
16 informed by advancements in research, data, and practice.
17 Currently, the Department of Transportation is developing updated
18 methodologies for analyzing transportation impacts in rural
19 settings, which are expected to be published on or before July 1,
20 2026. It is the intent of the Legislature that these ongoing efforts
21 be integrated into relevant guidance for addressing transportation
22 impacts that promote more effective practices statewide.

23 (f) It is the intent of Legislature that lead agencies ensure that
24 vehicle miles traveled mitigation is achieved through a balanced
25 approach by ensuring a project invests in multiple types of
26 mitigation measures when working to reduce the vehicle miles
27 traveled impacts of a project.

28 (g) It is the intent of the Legislature that this program serve as
29 one optional strategy that a project applicant may use to mitigate
30 a significant transportation impact under CEQA. The program
31 established pursuant Section 21080.44 is intended to facilitate an
32 existing category of mitigation, specifically, the development of
33 vehicle miles traveled-efficient affordable housing or related
34 infrastructure, by providing a streamlined and accessible
35 mechanism through which applicants can contribute to eligible
36 mitigation projects. This approach is consistent with established
37 practices already used at the local and regional level across the
38 state and provides project applicants an additional tool to support
39 their mitigation efforts.

~~SEC. 59.~~

SEC. 58. Section 21080.44 is added to the Public Resources Code, to read:

21080.44. (a) For purposes of this section, all of the following definitions apply:

(1) “Department” means the Department of Housing and Community Development.

(2) “Office” means the Office of Land Use and Climate Innovation.

(3) “Region” means the territory of the metropolitan planning organization within which a project is located, or the territory of the regional transportation planning agency within which a project is located if the project is located outside of the boundaries of a metropolitan planning organization.

(4) “Transit-Oriented Development Implementation Fund” means the fund created pursuant to Section 53561 of the Health and Safety Code.

(5) “Transit-Oriented Development Implementation Program” means the program established pursuant to Part 13 (commencing with Section 53560) of Division 31 of the Health and Safety Code.

(b) (1) (A) If a lead agency determines that a project will have a significant transportation impact pursuant to the metrics adopted pursuant to paragraph (1) of subdivision (b) of Section 21099, the lead agency may mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating vehicle miles traveled-efficient affordable housing or related infrastructure projects, provided the projects meet the requirements of mitigation measures contained within this division and Chapter 3 of Division 6 of Title 14 of the California Code of Regulations, including by contributing an amount, to be determined pursuant to the office’s guidance issued pursuant to subdivision (d), to the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program.

(B) This section shall not preclude the lead agency’s use of other mitigation strategies, including, but not limited to, transportation demand management, transit improvements, active transportation infrastructure, road diets, or utilizing local or regional mitigation banks and exchanges.

(2) Moneys may be deposited into the Transit-Oriented Development Implementation Fund pursuant to paragraph (1)

1 beginning on or before July 1, 2026, as determined by the
2 department.

3 (3) Consistent with paragraph (1), a project applicant may use
4 the Transit-Oriented Development Implementation Fund as one
5 optional strategy to mitigate a significant transportation impact
6 under this division. The ultimate use of this mitigation option is
7 subject to the discretion of the lead agency that retains full authority
8 to determine the sufficiency of any proposed mitigation consistent
9 with this division.

10 (c) (1) Moneys deposited into the Transit-Oriented Development
11 Implementation Fund pursuant to subdivision (b) shall be available
12 to the department, upon appropriation by the Legislature, for the
13 purpose of awarding funding for affordable housing or related
14 infrastructure projects, including infrastructure necessary for higher
15 density uses, under the Transit-Oriented Development
16 Implementation Program in the following priority order:

17 (A) First priority to affordable housing or related infrastructure
18 projects in location-efficient areas, as defined in the office's
19 guidance issued pursuant to subdivision (d), within the same region
20 as the project.

21 (B) Second priority to affordable housing or related
22 infrastructure projects within the same region as the project.

23 (C) (i) Third priority to affordable housing or related
24 infrastructure projects in location-efficient areas that are outside
25 of the originating region but within an adjacent region, provided
26 the project site is located within a defined proximity radius
27 established by the office issued pursuant to clause (ii).

28 (ii) The proximity radius shall be specified in the office's
29 guidance and may vary based on regional characteristics such as
30 population density and travel patterns. The intent of this provision
31 is to support projects in neighboring regions that offer similar
32 vehicle miles traveled-reducing benefits due to the project's
33 location efficiency, including access to high-quality transit, jobs,
34 and essential services.

35 (2) Affordable housing or related infrastructure projects for
36 which funding was applied from other state funding programs, but
37 was not awarded due to limited program resources, or was awarded
38 but a financing gap still exists, may be considered for funding
39 pursuant to this subdivision. The applications for funding for these
40 affordable housing or related infrastructure projects shall be eligible

for consideration through a streamlined and expedited administrative review process to accelerate delivery.

(3) For each award of funding for affordable housing or related infrastructure projects pursuant to this subdivision, the department shall, in partnership with the office, confirm the estimated reduction in vehicle miles traveled associated with the affordable housing or related infrastructure project using the methodology established in the office's guidance issued pursuant to subdivision (d).

(d) On or before July 1, 2026, and at least once every three years thereafter, the office, in consultation with other state agencies, as appropriate, shall issue guidance related to the implementation of this section. This guidance shall include all of the following:

(1) A methodology for determining the amounts that are required to be contributed to the Transit-Oriented Development Implementation Fund pursuant to subdivision (b) to mitigate the environmental impacts associated with vehicle miles traveled.

(2) A definition of location-efficient areas that reflects a reasonable nexus between the location of the transportation impact of the project and the location of the vehicle miles traveled-efficient affordable housing or related infrastructure project which shall consider the location efficient area's consistency with an adopted sustainable communities strategy pursuant to Section 65080 of the Government Code, alternative planning strategy pursuant to Section 65080 of the Government Code, or other adopted regional growth plan intended to foster efficient land use.

(3) A process for validating a project's vehicle miles traveled funding contribution, which shall be designed to provide certainty to the lead agency and project applicant that the contribution satisfies applicable mitigation requirements under this division for significant transportation impacts.

(4) A methodology for estimating the anticipated reduction in vehicle miles traveled associated with affordable housing or related infrastructure projects funded pursuant to subdivision (c). This methodology may consider existing methodologies, but shall be tailored to the specific purposes and structure of this section, including accounting for relevant factors influencing vehicle miles traveled reduction, including proximity to transit, job access, walkability, and the level of affordability, and the length of the affordability period, of the affordable housing or related infrastructure project.

(e) (1) (A) The initial guidance, which is required to be issued by the office on or before July 1, 2026, pursuant to subdivision (d), shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(B) Before finalizing the initial guidance, the office shall provide public notice, make a draft version publicly available, and allow for a public comment period of at least 30 days. The office shall consider all comments received before issuing the final guidance.

(2) The office shall commence the regular rulemaking process for subsequent guidance on or before January 1, 2028, in compliance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(f) Beginning the year following the first distributions of funding pursuant to this section, the office, in consultation with the department, the Transportation Agency, and regions, shall evaluate the use of vehicle miles traveled mitigation resources allocated pursuant to this section. The evaluation shall assess the distribution of funds across project types, the effectiveness of supported projects in reducing vehicle miles traveled, the affordability of the housing units produced, and other relevant metrics that reflect program performance. Based on this assessment, the department, in consultation with the office and the Transportation Agency, may revise program guidelines to enhance outcomes.

(g) This section does not prevent a local agency from charging local impact fees based on vehicle miles traveled pursuant to the Mitigation Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6 (commencing with Section 66010), Chapter 7 (commencing with Section 66012), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020) of Division 1 of Title 7 of the Government Code).

~~SEC. 60.~~

SEC. 59. Section 21080.66 is added to the Public Resources Code, to read:

21080.66. (a) Without limiting any other statutory or categorical exemption, this division does not apply to any aspect of a housing development project, as defined in subdivision (b) of Section 65905.5 of the Government Code, including any permits,

1 approvals, or public improvements required for the housing
2 development project, as may be required by this division, if the
3 housing development project meets all of the following conditions:

4 (1) (A) Except as provided in subparagraph (B), the project site
5 is not more than 20 acres.

6 (B) The project site or the parcel size for a builder's remedy
7 project, as defined in paragraph (11) of subdivision (h) of Section
8 65589.5 of the Government Code, or the project site or the parcel
9 size for a project that applied pursuant to paragraph (5) of
10 subdivision (d) of Section 65589.5 of the Government Code as it
11 read before January 1, 2025, is not more than five acres.

12 (2) The project site meets either of the following criteria:

13 (A) Is located within the boundaries of an incorporated
14 municipality.

15 (B) Is located within an urban area, as defined by the United
16 States Census Bureau.

17 (3) The project site meets any of the following criteria:

18 (A) Has been previously developed with an urban use.

19 (B) At least 75 percent of the perimeter of the site adjoins parcels
20 that are developed with urban uses.

21 (C) At least 75 percent of the area within a one-quarter mile
22 radius of the site is developed with urban uses.

23 (D) For sites with four sides, at least three out of four sides are
24 developed with urban uses and at least two-thirds of the perimeter
25 of the site adjoins parcels that are developed with urban uses.

26 (4) (A) The project is consistent with the applicable general
27 plan and zoning ordinance, as well as any applicable local coastal
28 program as defined in Section 30108.6. For purposes of this
29 section, a housing development project shall be deemed consistent
30 with the applicable general plan and zoning ordinance, and any
31 applicable local coastal program, if there is substantial evidence
32 that would allow a reasonable person to conclude that the housing
33 development project is consistent.

34 (B) If the zoning and general plan are not consistent with one
35 another, a project shall be deemed consistent with both if the
36 project is consistent with one.

37 (C) The approval of a density bonus, incentives or concessions,
38 waivers or reductions of development standards, and reduced
39 parking ratios pursuant to Section 65915 of the Government Code
40 shall not be grounds for determining that the project is inconsistent

1 with the applicable general plan, zoning ordinance, or local coastal
2 program.

3 (5) The project will be at least one-half of the applicable density
4 specified in subparagraph (B) of paragraph (3) of subdivision (c)
5 of Section 65583.2 of the Government Code.

6 (6) The project satisfies the requirements specified in paragraph
7 (6) of subdivision (a) of Section 65913.4 of the Government Code.

8 (7) The project does not require the demolition of a historic
9 structure that was placed on a national, state, or local historic
10 register before the date a preliminary application was submitted
11 for the project pursuant to Section 65941.1 of the Government
12 Code.

13 (8) For a project that was deemed complete pursuant to
14 paragraph (5) of subdivision (h) of Section 65589.5 of the
15 Government Code on or after January 1, 2025, no portion of the
16 project is designated for use as a hotel, motel, bed and breakfast
17 inn, or other transient lodging. For the purposes of this section,
18 “other transient lodging” does not include either of the following:

19 (A) A residential hotel, as defined in Section 50519 of the Health
20 and Safety Code.

21 (B) After the issuance of a certificate of occupancy, a resident’s
22 use or marketing of a unit as short-term lodging, as defined in
23 Section 17568.8 of the Business and Professions Code, in a manner
24 consistent with local law.

25 (b) (1) (A) A local government shall provide formal notification
26 via certified mail and email to each California Native American
27 tribe that is traditionally and culturally affiliated with the project
28 site as an invitation to consult on the proposed project, its location,
29 and the project’s potential effects on tribal cultural resources
30 pursuant to one of the following deadlines:

31 (i) Within 14 days of the application for the project being
32 deemed complete pursuant to paragraph (5) of subdivision (h) of
33 Section 65589.5 of the Government Code.

34 (ii) For projects whose applications were deemed complete
35 pursuant to paragraph (5) of subdivision (h) of Section 65589.5 of
36 the Government Code before July 1, 2026, within 14 days of
37 notifying the local government that the project is eligible to be
38 exempt from this division pursuant to this section.

39 (B) The formal notification shall include all of the following:

1 (i) Detailed project information to help inform the consultation,
2 including site maps, proposed project scope, and any known
3 cultural resource studies.

4 (ii) Contact information for the local government.

5 (iii) Contact information for the project proponent.

6 (iv) Notice that the California Native American tribe has 60
7 days to request consultation with the local government pursuant
8 to this subdivision.

9 (2) (A) Each California Native American tribe has 60 days to
10 notify the local government that it accepts the invitation to consult.

11 (B) If a California Native American tribe chooses not to accept
12 the invitation to consult, or does not notify the local government
13 of its decision within 60 days, the consultation shall be considered
14 to have concluded.

15 (3) (A) Within 14 days of receiving the notification that the
16 California Native American tribe has elected to consult, pursuant
17 to subparagraph (A) of paragraph (2), the local government shall
18 initiate the consultation.

19 (B) During the consultation, the local government shall act in
20 good faith to identify whether a tribal cultural resource could be
21 affected by the proposed project and shall give deference to the
22 tribal information, tribal knowledge and customs, and the
23 significance of the resource to the California Native American
24 tribe.

25 (C) The project proponent may participate in the consultation
26 with the approval of the California Native American tribe if the
27 project proponent agrees to engage in good faith and comply with
28 the confidentiality requirements of Sections 7927.000 and 7927.005
29 of the Government Code, subdivision (d) of Section 21082.3,
30 subdivision (d) of Section 15120 of Title 14 of the California Code
31 of Regulations, and any confidentiality standards adopted by the
32 California Native American tribe participating in the consultation.

33 (D) The consultation shall seek to find measures that would
34 avoid significant impacts to a tribal cultural resource.

35 (E) The local government shall document the results of the
36 consultation.

37 (F) The consultation shall conclude within 45 days of initiation,
38 subject to a one-time 15-day extension upon request by a
39 participating California Native American tribe.

1 (4) The local government shall include, as binding conditions
2 of the project approval, all of the following:

3 (A) Any enforceable agreements reached during the project
4 consultation.

5 (B) All of the following measures, unless there is mutual
6 agreement between the California Native American tribe and the
7 project proponent not to include the measure as a binding condition:

8 (i) Upon request by a California Native American tribe, the
9 project shall include tribal monitoring during all ground-disturbing
10 activities, as follows:

11 (I) The California Native American tribe shall designate the
12 monitor.

13 (II) The tribal monitor shall comply with applicant's site access
14 and workplace safety requirements.

15 (III) The applicant shall compensate the tribal monitor at a
16 reasonable rate, determined in good faith, that aligns with
17 customary compensation for cultural resource monitoring, taking
18 into account factors such as the scope and duration of the project.

19 (ii) Tribal cultural resources shall be avoided where feasible,
20 in accordance with subdivision (a) of Section 21084.3. In
21 furtherance of this requirement, where feasible, the project
22 applicant shall provide deference to tribal preferences regarding
23 access to spiritual, ceremonial, and burial sites, and incorporate
24 tribal traditional knowledge in the protection and sustainable use
25 of tribal cultural resources and landscapes.

26 (iii) All treatment and documentation of tribal cultural resources
27 shall be conducted in a culturally appropriate manner, consistent
28 with Section 21083.9.

29 (iv) A California Historical Resources Information System
30 archaeological records search and a tribal cultural records search
31 shall be completed for the project site.

32 (v) A Sacred Lands Inventory request shall be submitted to the
33 Native American Heritage Commission.

34 (vi) The project shall comply with Section 7050.5 of the Health
35 and Safety Code and Section 5097.98, including immediate work
36 stoppage upon discovery of human remains or burial grounds, and
37 treatment in accordance with applicable law and in consultation
38 with the affected California Native American tribe.

1 (vii) An application of tribal ecological knowledge into habitat
2 restoration efforts undertaken by the project as applicable to the
3 specific environmental context and conditions of the project.

4 (5) For purposes of this subdivision, the following definitions
5 apply:

6 (A) “California Native American tribe” has the same meaning
7 as defined in Section 21073.

8 (B) “Enforceable agreement” means an agreement between the
9 local government, project proponent, and any California Native
10 American tribe that has engaged in consultation pursuant to this
11 subdivision regarding the methods, measures, and conditions for
12 tribal cultural resource identification, treatment, and protection,
13 including consideration of avoidance. Compliance with the
14 enforceable agreement shall be a required condition of approval
15 for the project and its terms must be enforceable against the project
16 proponent by the local government and the California Native
17 American tribe.

18 (C) “Tribal cultural resource” means a site, feature, place,
19 cultural landscape, sacred place, including a Native American
20 sanctified cemetery, Indian cemetery, or Indian burial area, or an
21 object with cultural value to a California Native American tribe
22 that is any of the following:

23 (i) Included or eligible for inclusion in the California Register
24 of Historical Resources or the National Register of Historic Places.

25 (ii) Included in a local register of historical resources as defined
26 in subdivision (k) of Section 5020.1.

27 (iii) Identified by the Native American Heritage Commission
28 as a sacred place pursuant to Section 5097.94 or 5097.96.

29 (iv) Included in a local tribal register.

30 (c) (1) (A) The local government shall, as a condition of
31 approval for the development, require the development proponent
32 to complete a phase I environmental assessment, as defined in
33 Section 78090 of the Health and Safety Code.

34 (B) If a recognized environmental condition is found, the
35 development proponent shall complete a preliminary endangerment
36 assessment, as defined in Section 78095 of the Health and Safety
37 Code, prepared by an environmental assessor to determine the
38 existence of any release of a hazardous substance on the site and
39 to determine the potential for exposure of future occupants to
40 significant health hazards from any nearby property or activity.

1 (C) If a release of a hazardous substance is found to exist on
2 the site, the release shall be removed or any effects of the release
3 shall be mitigated to levels required by current federal and state
4 statutory and regulatory standards before the local government
5 issues a certificate of occupancy.

6 (D) If a potential for exposure to significant hazards from
7 surrounding properties or activities is found to exist, the effects of
8 the potential exposure shall be mitigated to levels required by
9 current federal and state statutory and regulatory standards before
10 the local government issues a certificate of occupancy.

11 (2) For any housing on the site located within 500 feet of a
12 freeway, all of the following shall apply:

13 (A) The building shall have a centralized heating, ventilation,
14 and air-conditioning system.

15 (B) The outdoor air intakes for the heating, ventilation, and
16 air-conditioning system shall face away from the freeway.

17 (C) The building shall provide air filtration media for outside
18 and return air that provides a minimum efficiency reporting value
19 of 16.

20 (D) The air filtration media shall be replaced at the
21 manufacturer's designated interval.

22 (E) The building shall not have any balconies facing the freeway.

23 ~~(d) (1) The following wage rates shall apply to all construction~~
24 ~~workers employed in the execution of a housing development~~
25 ~~project exempt from this division pursuant to this section:~~

26 ~~(A) For the Counties of Alameda, Contra Costa, San Mateo,~~
27 ~~and Santa Clara, and the City and County of San Francisco, the~~
28 ~~following wage rates apply:~~

29 ~~(i) Sixty percent of the construction workers shall be paid at a~~
30 ~~wage rate of no less than forty dollars (\$40) per hour.~~

31 ~~(ii) One hundred percent of the construction workers shall be~~
32 ~~paid at a wage rate of no less than twenty-seven dollars (\$27) per~~
33 ~~hour.~~

34 ~~(B) For the Counties of Los Angeles, Marin, Monterey, Napa,~~
35 ~~Orange, Riverside, Sacramento, San Bernardino, San Diego, Santa~~
36 ~~Barbara, Santa Cruz, Solano, Sonoma, and Ventura, the following~~
37 ~~wage rates apply:~~

38 ~~(i) Sixty percent of the construction workers shall be paid at a~~
39 ~~wage rate of no less than thirty-six dollars (\$36) per hour.~~

1 ~~(ii) One hundred percent of the construction workers shall be~~
2 ~~paid at a wage rate of no less than twenty-four dollars (\$24) per~~
3 ~~hour.~~

4 ~~(C) For all other counties, the following wage rates apply:~~

5 ~~(i) Sixty percent of the construction workers shall be paid at a~~
6 ~~wage rate of no less than twenty-eight dollars (\$28) per hour.~~

7 ~~(ii) One hundred percent of the construction workers shall be~~
8 ~~paid at a wage rate of no less than twenty dollars (\$20) per hour.~~

9 ~~(2) (A) Except as provided in subparagraph (B), paragraphs~~
10 ~~(1), (7), and (8) do not apply to projects of 25 units or less that are~~
11 ~~exempt from this division pursuant to this section.~~

12 ~~(B) In the City and County of San Francisco, paragraphs (1),~~
13 ~~(7), and (8) do not apply to projects of 10 units or less that are~~
14 ~~exempt from this division pursuant to this section.~~

15 ~~(3) (A) The wage requirements set forth in paragraph (1) shall~~
16 ~~be adjusted annually, on or before April 1. The Department of~~
17 ~~Industrial Relations shall calculate and publish on its internet~~
18 ~~website the adjusted wages based on the United States Bureau of~~
19 ~~Labor Statistics nonseasonally adjusted United States Consumer~~
20 ~~Price Index for Urban Wage Earners and Clerical Workers (U.S.~~
21 ~~CPI-W) for the previous calendar year. If the U.S. CPI-W is~~
22 ~~negative, there shall be no increase or decrease in the wage~~
23 ~~requirements.~~

24 ~~(B) Any adjusted wages described in subparagraph (A) shall be~~
25 ~~in effect for July 1 to June 30, inclusive, of the subsequent year.~~

26 ~~(4) If an employer for a housing development project provides~~
27 ~~health care coverage for construction workers on the project, the~~
28 ~~wage rate per hour required pursuant to paragraphs (1) to (3),~~
29 ~~inclusive, shall be reduced in a dollar amount that is equal to the~~
30 ~~cost of the health care coverage provided. Under no circumstance~~
31 ~~shall the wage rate per hour be less than the applicable minimum~~
32 ~~wage for that county.~~

33 ~~(5)~~

34 ~~(d) (1) Notwithstanding paragraphs (1) to (4), inclusive, and~~
35 ~~notwithstanding any other law, all construction workers employed~~
36 ~~in the execution of a housing development project exempt from~~
37 ~~this division pursuant to this section where 100 percent of the units~~
38 ~~within the development project are dedicated to lower income~~
39 ~~households, as defined by Section 50079.5 of the Health and Safety~~
40 ~~Code, shall be paid at least the general prevailing rate of per diem~~

1 wages for the type of work and geographic area, as determined by
2 the Director of Industrial Relations pursuant to Sections 1773 and
3 1773.9 of the Labor Code, except that apprentices registered in
4 programs approved by the Chief of the Division of Apprenticeship
5 Standards may be paid at least the applicable apprentice prevailing
6 rate, regardless of whether the housing development project is a
7 public work.

8 *(2) Notwithstanding any other law, the labor standards of*
9 *paragraph (8) of subdivision (a) of Section 65913.4 of the*
10 *Government Code shall apply to buildings over 85 feet in height*
11 *above grade in any housing development project exempt from this*
12 *division pursuant to this section.*

13 ~~(6)~~
14 ~~(3) (A) Notwithstanding paragraphs (1) to (5), inclusive, and~~
15 ~~notwithstanding any other law, the labor standards of Article 4~~
16 ~~(commencing with Section 65912.130) of Chapter 4.1 of Division~~
17 ~~1 of Title 7 of the Government Code shall apply to the following:~~
18 ~~for projects of 50 units or greater in the City and County of San~~
19 ~~Francisco that are not covered by paragraph (2), for any~~
20 ~~construction craft where at least 50 percent of the units in~~
21 ~~market-rate multifamily housing projects that received their~~
22 ~~certificate of occupancy between 2022 and 2024, inclusive, were~~
23 ~~built by workers that were paid not less than the general prevailing~~
24 ~~rate of per diem wages.~~

25 ~~(A) Buildings over 85 feet in height above grade.~~

26 ~~(B) (i) For projects of 50 units or greater in the City and County~~
27 ~~of San Francisco, any construction craft where at least 50 percent~~
28 ~~of the units in market-rate multifamily housing projects that~~
29 ~~received their certificate of occupancy between 2022 and 2024,~~
30 ~~inclusive, were built by workers that were paid not less than the~~
31 ~~general prevailing rate of per diem wages.~~

32 ~~(ii)~~
33 ~~(B) For purposes of this section, “market-rate multifamily~~
34 ~~housing development project” means a housing development~~
35 ~~project of greater than 10 units where less than 95 percent of the~~
36 ~~units are dedicated to lower income households, as defined by~~
37 ~~Section 50079.5 of the Health and Safety Code.~~

38 ~~(iii) (F)~~

1 (C) (i) The eligibility of this subparagraph, by classification,
2 will be determined by the Department of Industrial Relations and
3 published on its internet website by January 1, 2026.

4 ~~(H)~~

5 (ii) In making a determination of eligibility pursuant to this
6 subparagraph, the Director of Industrial Relations shall obtain and
7 consider data from the labor organizations and employers or
8 employer associations concerned no later than October 1, 2025.

9 ~~(HH)~~

10 (iii) To determine the number of market-rate multifamily
11 housing projects that received their certificate of occupancy in a
12 given year, the Department of Industrial Relations shall use the
13 annual progress report data as reported by the jurisdiction pursuant
14 to Section 65400 of the Government Code.

15 ~~(7)~~

16 (4) The provisions of Section 218.8 of the Labor Code shall
17 extend to the development proponent in addition to the direct
18 contractor or subcontractor. For purposes of this paragraph,
19 “development proponent” shall mean a developer who submits the
20 housing development project application to a local government
21 that is exempt from this division pursuant to this section.

22 ~~(8)~~

23 (5) (A) A joint labor-management cooperation committee
24 established pursuant to the federal Labor Management Cooperation
25 Act of 1978 (29 U.S.C. Sec. 175a) may undertake any of the
26 following on a housing development project that is exempt from
27 this division pursuant to this section:

28 (i) Bring an action in a court of competent jurisdiction against
29 a contractor or subcontractor at any tier on behalf of construction
30 workers employed by the contractor or subcontractor on a housing
31 development project that is exempt from this division pursuant to
32 this section to enforce Section 226 of the Labor Code. A contractor
33 is not subject to an action pursuant to this subparagraph due to the
34 failure of a subcontractor to comply with Section 226 of the Labor
35 Code.

36 (ii) Bring an action in a court of competent jurisdiction on behalf
37 of an affected employee against an employer for damages as if
38 Division 4 (commencing with Section 3200) of the Labor Code
39 did not apply, if the employer fails to secure the payment of

1 compensation as required by Article 1 (commencing with Section
2 3700) of Chapter 4 of Part 1 of Division 4 of the Labor Code.

3 (iii) In addition to the remedies set forth in Section 7028.3 of
4 the Business and Professions Code, on proper showing by a joint
5 labor-management cooperation committee of a continuing violation
6 of Chapter 9 (commencing with Section 7000) of Division 3 of
7 the Business and Professions Code by a person who constructs a
8 housing project and does not hold a state contractor's license in
9 any classification, an injunction shall issue by a court specified in
10 Section 7028.3 of the Business and Professions Code at the request
11 of the joint labor-management cooperation committee, prohibiting
12 that violation.

13 (B) For any action brought pursuant to this paragraph, the court
14 shall award a prevailing joint labor-management committee its
15 reasonable attorney's fees and costs incurred maintaining the
16 action.

17 (C) An action brought pursuant to this paragraph shall be filed
18 within one year of a local government issuing a certificate of
19 occupancy for the housing development project or for the portion
20 relating to the action.

21 (D) This paragraph shall apply only to violations that occur on
22 the site of construction of the housing development project.

23 (e) This section does not affect the eligibility of a housing
24 development project for a density bonus, incentives or concessions,
25 waivers or reductions of development standards, and reduced
26 parking ratios pursuant to Section 65915 of the Government Code.

27 (f) For purposes of this section, the following terms apply:

28 (1) "Adjoins" includes parcels that are only separated by a street,
29 pedestrian path, or bicycle path.

30 (2) "Construction worker" means one performing onsite work
31 associated with construction, including work involving alteration,
32 demolition, building, excavation, renovation, remodeling,
33 maintenance, improvement, repair work, and any other work as
34 described by Chapter 9 (commencing with Section 7000) of
35 Division 3 of the Business and Professions Code, and other similar
36 or related occupations or trades.

37 (3) "Urban use" means any current or previous residential or
38 commercial development, public institution, or public park that is
39 surrounded by other urban uses, parking lot or structure, transit or

1 transportation passenger facility, or retail use, or any combination
2 of those uses.

3 ~~SEC. 61.~~

4 *SEC. 60.* Section 21180 of the Public Resources Code is
5 amended to read:

6 21180. For purposes of this chapter, the following definitions
7 apply:

8 (a) “Applicant” means a public or private entity or its affiliates,
9 or a person or entity that undertakes a public works project, that
10 proposes a project and its successors, heirs, and assignees.

11 (b) “Environmental leadership development project,” “leadership
12 project,” or “project” means a project as described in Section 21065
13 that is one of the following:

14 (1) A residential, retail, commercial, sports, cultural,
15 entertainment, or recreational use project that is certified as
16 Leadership in Energy and Environmental Design (LEED) gold or
17 better by the United States Green Building Council and, where
18 applicable, that achieves a 15-percent greater standard for
19 transportation efficiency than for comparable projects. These
20 projects must be located on an infill site. For a project that is within
21 a metropolitan planning organization for which a sustainable
22 communities strategy or alternative planning strategy is in effect,
23 the infill project shall be consistent with the general use
24 designation, density, building intensity, and applicable policies
25 specified for the project area in either a sustainable communities
26 strategy or an alternative planning strategy, for which the State
27 Air Resources Board has accepted a metropolitan planning
28 organization’s determination, under subparagraph (H) of paragraph
29 (2) of subdivision (b) of Section 65080 of the Government Code,
30 that the sustainable communities strategy or the alternative planning
31 strategy would, if implemented, achieve the greenhouse gas
32 emission reduction targets.

33 (2) A clean renewable energy project that generates electricity
34 exclusively through wind or solar, but not including waste
35 incineration or conversion.

36 (3) A clean energy manufacturing project that manufactures
37 products, equipment, or components used for renewable energy
38 generation, energy efficiency, or for the production of clean
39 alternative fuel vehicles.

1 (4) (A) A housing development project that meets all of the
2 following conditions:

3 (i) The housing development project is located on an infill site.

4 (ii) For a housing development project that is located within a
5 metropolitan planning organization for which a sustainable
6 communities strategy or alternative planning strategy is in effect,
7 the project is consistent with the general use designation, density,
8 building intensity, and applicable policies specified for the project
9 area in either a sustainable communities strategy or an alternative
10 planning strategy, for which the State Air Resources Board has
11 accepted a metropolitan planning organization's determination,
12 under subparagraph (H) of paragraph (2) of subdivision (b) of
13 Section 65080 of the Government Code, that the sustainable
14 communities strategy or the alternative planning strategy would,
15 if implemented, achieve the greenhouse gas emission reduction
16 targets.

17 (iii) Notwithstanding paragraph (1) of subdivision (a) of Section
18 21183, the housing development project will result in a minimum
19 investment of fifteen million dollars (\$15,000,000) in California
20 upon completion of construction.

21 (iv) (I) Except as provided in subclause (II), at least 15 percent
22 of the housing development project is dedicated as housing that is
23 affordable to lower income households, as defined in Section
24 50079.5 of the Health and Safety Code. Upon completion of a
25 housing development project that is qualified under this paragraph
26 and is certified by the Governor, the lead agency or applicant of
27 the project shall notify the Office of Planning and Research of the
28 number of housing units and affordable housing units established
29 by the project.

30 (II) Notwithstanding subclause (I), if a local agency has adopted
31 an inclusionary zoning ordinance that establishes a minimum
32 percentage for affordable housing within the jurisdiction in which
33 the housing development project is located that is higher than 15
34 percent, the percentage specified in the inclusionary zoning
35 ordinance shall be the threshold for affordable housing.

36 (v) (I) Except for use as a residential hotel, as defined in Section
37 50519 of the Health and Safety Code, no part of the housing
38 development project shall be used for a rental unit for a term shorter
39 than 30 days, or designated for hotel, motel, bed and breakfast inn,
40 or other transient lodging use.

1 (II) No part of the housing development project shall be used
2 for manufacturing or industrial uses.

3 (B) For purposes of this paragraph, “housing development
4 project” means a project for any of the following:

5 (i) Residential units only.

6 (ii) Mixed-use developments consisting of residential and
7 nonresidential uses with at least two-thirds of the square footage
8 designated for residential use.

9 (iii) Transitional housing or supportive housing.

10 (c) “Infill site” has the same meaning as set forth in Section
11 21061.3.

12 (d) “Transportation efficiency” means the number of vehicle
13 trips by employees, visitors, or customers of the residential, retail,
14 commercial, sports, cultural, entertainment, or recreational use
15 project divided by the total number of employees, visitors, and
16 customers.

17 ~~SEC. 62.~~

18 *SEC. 61.* Section 21183 of the Public Resources Code is
19 amended to read:

20 21183. The Governor may certify a leadership project for
21 streamlining before a lead agency certifies a final environmental
22 impact report for a project under this chapter if all the following
23 conditions are met:

24 (a) (1) Except as provided in paragraph (2), the project will
25 result in a minimum investment of one hundred million dollars
26 (\$100,000,000) in California upon completion of construction.

27 (2) Paragraph (1) does not apply to a leadership project described
28 in paragraph (4) of subdivision (b) of Section 21180.

29 (b) The project creates high-wage, highly skilled jobs that pay
30 prevailing wages and living wages, provides construction jobs and
31 permanent jobs for Californians, helps reduce unemployment, and
32 promotes apprenticeship training. For purposes of this subdivision,
33 a project is deemed to create jobs that pay prevailing wages, create
34 highly skilled jobs, and promote apprenticeship training if the
35 applicant demonstrates to the satisfaction of the Governor that the
36 project will comply with Section 21183.5.

37 (c) (1) For a project described in paragraph (1), (2), or (3) of
38 subdivision (b) of Section 21180, the project does not result in any
39 net additional emission of greenhouse gases, including greenhouse
40 gas emissions from employee transportation. For purposes of this

1 paragraph, a project is deemed to meet the requirements of this
2 paragraph if the applicant demonstrates to the satisfaction of the
3 Governor that the project will comply with Section 21183.6.

4 (2) For a project described in paragraph (4) of subdivision (b)
5 of Section 21180, the project does not result in any net additional
6 emission of greenhouse gases, including greenhouse gas emissions
7 from employee transportation, or demonstrates consistency with
8 the most recent scoping plan adopted by the State Air Resources
9 Board pursuant to Section 38561 of the Health and Safety Code.

10 (d) The applicant demonstrates compliance with the
11 requirements of Chapter 12.8 (commencing with Section 42649)
12 and Chapter 12.9 (commencing with Section 42649.8) of Part 3
13 of Division 30, as applicable.

14 (e) The applicant has entered into a binding and enforceable
15 agreement that all mitigation measures required under this division
16 to certify the project under this chapter shall be conditions of
17 approval of the project, and those conditions will be fully
18 enforceable by the lead agency or another agency designated by
19 the lead agency. In the case of environmental mitigation measures,
20 the applicant agrees, as an ongoing obligation, that those measures
21 will be monitored and enforced by the lead agency for the life of
22 the obligation.

23 (f) The applicant agrees to pay the costs of the trial court and
24 the court of appeal in hearing and deciding any case challenging
25 a lead agency's action on a certified project under this division,
26 including payment of the costs for the appointment of a special
27 master if deemed appropriate by the court, in a form and manner
28 specified by the Judicial Council, as provided in the California
29 Rules of Court adopted by the Judicial Council under Section
30 21185.

31 (g) The applicant agrees to pay the costs of preparing the record
32 of proceedings for the project concurrent with review and
33 consideration of the project under this division, in a form and
34 manner specified by the lead agency for the project. The cost of
35 preparing the record of proceedings for the project shall not be
36 recoverable from the plaintiff or petitioner before, during, or after
37 any litigation.

38 (h) For a project for which environmental review has
39 commenced, the applicant demonstrates that the record of
40 proceedings is being prepared in accordance with Section 21186.

~~SEC. 63.~~

SEC. 62. Section 30114.5 is added to the Public Resources Code, to read:

30114.5. “Residential development project” means a multifamily housing project that consists exclusively of residential uses and includes four or more units.

~~SEC. 64.~~

SEC. 63. Section 30405 is added to the Public Resources Code, to read:

30405. (a) Notwithstanding Section 10231.5 of the Government Code, no later than July 1, 2027, and annually thereafter, the commission shall submit a report to the Legislature that includes all of the following information for the preceding year:

(1) The number of residential development projects that were appealed to the commission.

(2) The number of appealed residential development projects for which the permit applicant waived the deadline for the commission to hear the appeal.

(3) The number of appealed residential development projects that were approved, approved with conditions, denied, or withdrawn.

(4) For each project described in paragraph (3), the commission shall include all of the following:

(A) A description of the project, including, but not limited to, the number of units in the project and the percentage of units affordable to very low, low-, and moderate-income households.

(B) The length of time from the appeal to the final action on each project.

(C) Any conditions imposed by the commission on a project, and the reason for approval, approval with conditions, or denial.

(b) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

~~SEC. 65.~~

SEC. 64. Section 30603 of the Public Resources Code is amended to read:

30603. (a) After certification of its local coastal program, an action taken by a local government on a coastal development permit

1 application may be appealed to the commission for only the
2 following types of developments:

3 (1) Developments approved by the local government between
4 the sea and the first public road paralleling the sea or within 300
5 feet of the inland extent of any beach or of the mean high tideline
6 of the sea where there is no beach, whichever is the greater
7 distance.

8 (2) Developments approved by the local government not
9 included within paragraph (1) that are located on tidelands,
10 submerged lands, public trust lands, within 100 feet of any wetland,
11 estuary, or stream, or within 300 feet of the top of the seaward
12 face of any coastal bluff.

13 (3) (A) Developments approved by the local government not
14 included within paragraph (1) or (2) that are located in a sensitive
15 coastal resource area.

16 (B) This paragraph shall not apply to a residential development
17 project.

18 (4) (A) Any development approved by a coastal county that is
19 not designated as the principal permitted use under the zoning
20 ordinance or zoning district map approved pursuant to Chapter 6
21 (commencing with Section 30500).

22 (B) This paragraph shall not apply to a residential development
23 project.

24 (C) For purposes of this paragraph, “coastal county” shall not
25 include a local government that is both a city and county.

26 (5) Any development that constitutes a major public works
27 project or a major energy facility.

28 (b) (1) The grounds for an appeal pursuant to subdivision (a)
29 shall be limited to an allegation that the development does not
30 conform to the standards set forth in the certified local coastal
31 program or the public access policies set forth in this division.

32 (2) The grounds for an appeal of a denial of a permit pursuant
33 to paragraph (5) of subdivision (a) shall be limited to an allegation
34 that the development conforms to the standards set forth in the
35 certified local coastal program and the public access policies set
36 forth in this division.

37 (c) An action described in subdivision (a) shall become final at
38 the close of business on the 10th working day from the date of
39 receipt by the commission of the notice of the local government’s
40 final action, unless an appeal is submitted within that time.

Regardless of whether an appeal is submitted, the local government's action shall become final if an appeal fee is imposed pursuant to subdivision (d) of Section 30620 and is not deposited with the commission within the time prescribed.

(d) (1) A local government taking an action on a coastal development permit shall send notification of its final action to the commission by certified mail, or by electronic mail pursuant to paragraph (2), within seven calendar days from the date of taking the action.

(2) (A) In order for a local government to notify the commission via electronic mail of an action on a coastal development permit, the notification shall be sent from a verifiable local government electronic mail account, and shall be received in the electronic mailbox designated by the commission on its internet website for receipt of that notification.

(B) For the purposes of determining the 10th working day from the date of receipt of notice by the commission under subdivision (c), notice received by the commission by electronic mail after the close of business shall be considered received on the next working day.

~~SEC. 66.~~

SEC. 65. Section 17053.5 of the Revenue and Taxation Code is amended to read:

17053.5. (a) (1) For a qualified renter, there shall be allowed a credit against the renter's "net tax," as defined in Section 17039. The amount of the credit shall be as follows:

(A) For spouses filing joint returns, heads of household, and surviving spouses, as defined in Section 17046, if adjusted gross income is fifty thousand dollars (\$50,000) or less, the credit shall be equal to:

(i) For taxable years beginning before January 1, 2026, one hundred twenty dollars (\$120).

(ii) Except as otherwise provided in subdivision (k), for taxable years beginning on or after January 1, 2026:

(I) Two hundred fifty dollars (\$250) if the qualified renter has no dependents, as defined in Section 17056.

(II) Five hundred dollars (\$500) if the qualified renter has one or more dependents, as defined in Section 17056.

(B) For other individuals, if adjusted gross income is twenty-five thousand dollars (\$25,000) or less, the credit shall be equal to:

1 (i) For taxable years beginning before January 1, 2026, sixty
2 dollars (\$60).

3 (ii) Except as otherwise provided in subdivision (k), for taxable
4 years beginning on or after January 1, 2026:

5 (I) Two hundred fifty dollars (\$250) if the qualified renter has
6 no dependents, as defined in Section 17056.

7 (II) Five hundred dollars (\$500) if the qualified renter has one
8 or more dependents, as defined in Section 17056.

9 (2) Except as provided in subdivision (b), spouses shall receive
10 only one credit under this section. If the spouses file separate
11 returns, the credit may be taken by either or equally divided
12 between them, except as follows:

13 (A) If one spouse was a resident for the entire taxable year and
14 the other spouse was a nonresident for part or all of the taxable
15 year, the resident spouse shall be allowed one-half the credit
16 allowed to married persons and the nonresident spouse shall be
17 permitted one-half the credit allowed to married persons, prorated
18 as provided in subdivision (e).

19 (B) If both spouses were nonresidents for part of the taxable
20 year, the credit allowed to married persons shall be divided equally
21 between them subject to the proration provided in subdivision (e).

22 (b) For spouses, if each spouse maintained a separate place of
23 residence and resided in this state during the entire taxable year,
24 each spouse will be allowed one-half the full credit allowed to
25 married persons provided in subdivision (a).

26 (c) For purposes of this section, a “qualified renter” means an
27 individual who satisfies both of the following:

28 (1) Was a resident of this state, as defined in Section 17014.

29 (2) Rented and occupied premises in this state that constituted
30 the individual’s principal place of residence during at least 50
31 percent of the taxable year.

32 (d) “Qualified renter” does not include any of the following:

33 (1) An individual who for more than 50 percent of the taxable
34 year rented and occupied premises that were exempt from property
35 taxes, except that an individual, otherwise qualified, is deemed a
36 qualified renter if the individual or the individual’s landlord pays
37 possessory interest taxes, or the owner of those premises makes
38 payments in lieu of property taxes that are substantially equivalent
39 to property taxes paid on properties of comparable market value.

1 (2) An individual whose principal place of residence for more
2 than 50 percent of the taxable year is with another person who
3 claimed that individual as a dependent for income tax purposes.

4 (3) An individual who has been granted or whose spouse has
5 been granted the homeowners' property tax exemption during the
6 taxable year. This paragraph does not apply to an individual whose
7 spouse has been granted the homeowners' property tax exemption
8 if each spouse maintained a separate residence for the entire taxable
9 year.

10 (e) An otherwise qualified renter who is a nonresident for any
11 portion of the taxable year shall claim the credits set forth in
12 subdivision (a) at the rate of one-twelfth of those credits for each
13 full month that individual resided within this state during the
14 taxable year.

15 (f) A person claiming the credit provided in this section shall,
16 as part of that claim, and under penalty of perjury, furnish that
17 information as the Franchise Tax Board prescribes on a form
18 supplied by the board.

19 (g) The credit provided in this section shall be claimed on returns
20 in the form as the Franchise Tax Board may from time to time
21 prescribe.

22 (h) For purposes of this section, "premises" means a house or
23 a dwelling unit used to provide living accommodations in a
24 building or structure and the land incidental thereto, but does not
25 include land only, unless the dwelling unit is a mobilehome. The
26 credit is not allowed for any taxable year for the rental of land
27 upon which a mobilehome is located if the mobilehome has been
28 granted a homeowners' exemption under Section 218 in that year.

29 (i) This section shall become operative on January 1, 1998, and
30 applies to any taxable year beginning on or after January 1, 1998.

31 (j) For each taxable year beginning on or after January 1, 1999,
32 the Franchise Tax Board shall recompute the adjusted gross income
33 amounts set forth in subdivision (a). The computation shall be
34 made as follows:

35 (1) The Department of Industrial Relations shall transmit
36 annually to the Franchise Tax Board the percentage change in the
37 California Consumer Price Index for all items from June of the
38 prior calendar year to June of the current year, no later than August
39 1 of the current calendar year.

(2) The Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to the portion of the percentage change figure that is furnished pursuant to paragraph (1) and dividing the result by 100.

(3) The Franchise Tax Board shall multiply the adjusted gross income amount in subparagraph (B) of paragraph (1) of subdivision (a) for the preceding taxable year by the inflation adjustment factor determined in paragraph (2), and round off the resulting products to the nearest one dollar (\$1).

(4) In computing the adjusted gross income amounts pursuant to this subdivision, the adjusted gross income amounts provided in subparagraph (A) of paragraph (1) of subdivision (a) shall be twice the amount provided in subparagraph (B) of paragraph (1) of subdivision (a).

(k) (1) Unless otherwise specified annually in any bill providing for appropriations related to the Budget Act, for taxable years beginning on or after January 1, 2026, the amount of credit under clause (ii) of subparagraph (A) of, and clause (ii) of subparagraph (B) of, paragraph (1) of subdivision (a) shall be zero dollars (\$0).

(2) For any taxable year for which the amount of the credit under clause (ii) of subparagraph (A) of, or clause (ii) of subparagraph (B), as applicable, of, paragraph (1) of subdivision (a) is zero dollars (\$0) pursuant to paragraph (1), the credit amounts set forth in clause (i) of subparagraph (A) of, or clause (i) of subparagraph (B), as applicable, of, paragraph (1) of subdivision (a) shall be the credit amounts for a qualified renter for the taxable year.

(l) For the purposes of complying with Section 41, the Legislature finds and declares as follows:

(1) The specific goals, purposes, and objectives of this bill are as follows:

(A) To address the housing affordability crisis in California, as millions of Californians, who are disproportionately lower income and people of color, are making difficult decisions about paying for housing at the expense of other costs like food, health care, or childcare, as one in three households do not earn enough money to meet their basic needs.

(B) To compensate low- and middle-income renters who are rent burdened by the increasing rates of rent throughout the State of California.

(C) To restructure the credit to reflect the disproportionate burden of high rents on single-parent families.

(D) To stimulate consumer spending and economic growth by providing more disposable income to reinvest in the economy.

(2) To measure whether the credit achieves its intended purpose, for those taxable years for which the amount of credit under clause (ii) of subparagraph (A) of, or clause (ii) of subparagraph (B) of, paragraph (1) of subdivision (a) is not zero dollars (\$0), the Franchise Tax Board shall prepare a written report on both of the following:

(A) The number of taxpayers claiming the credit.

(B) The average credit amount on tax returns claiming the credit.

(3) The Franchise Tax Board shall provide the written report prepared pursuant to paragraph (2) to the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Assembly and Senate Committees on Appropriations, the Senate Committee on Revenue and Taxation, and the Assembly Committee on Revenue and Taxation. The report shall be submitted in compliance with Section 9795 of the Government Code. The report shall be due July 1 two years following any taxable year that the credit under paragraph (1) of subdivision (k) is not equal to zero dollars (\$0).

~~SEC. 67.~~

SEC. 66. Section 5849.2 of the Welfare and Institutions Code is amended to read:

5849.2. As used in this part, the following definitions shall apply:

(a) “At risk of chronic homelessness” includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail, mental health, and substance use disorder facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.

(b) “Authority” means the California Health Facilities Financing Authority established pursuant to Part 7.2 (commencing with Section 15430) of Division 3 of Title 2 of the Government Code.

(c) “Capitalized operating reserves” has the same meaning as defined in Section 50058.8 of the Health and Safety Code.

1 (d) “Chronically homeless” has the same meaning as defined
2 in Section 578.3 of Title 24 of the Code of Federal Regulations as
3 that section read on May 1, 2016, or as otherwise modified or
4 expanded by the State Department of Health Care Services.

5 (e) “Commission” means the Behavioral Health Services
6 Oversight and Accountability Commission established by Section
7 5845.

8 (f) “Committee” means the No Place Like Home Program
9 Advisory Committee established pursuant to Section 5849.3.

10 (g) “County” includes, but is not limited to, a city and a city
11 and county receiving funds pursuant to Section 5701.5.

12 (h) “Department” means the Department of Housing and
13 Community Development.

14 (i) “Development sponsor” has the same meaning as “sponsor”
15 as defined in Section 50675.2 of the Health and Safety Code.

16 (j) “Fund” means the No Place Like Home Fund established
17 pursuant to Section 5849.4.

18 (k) “Homeless” has the same meaning as defined in Section
19 578.3 of Title 24 of the Code of Federal Regulations as that section
20 read on May 1, 2016.

21 (l) “Permanent supportive housing” has the same meaning as
22 “supportive housing,” as defined in Section 50675.14 of the Health
23 and Safety Code, except that “permanent supportive housing” shall
24 include associated facilities if used to provide services to housing
25 residents.

26 (m) (1) “Program” means the process for awarding funds and
27 distributing moneys to applicants established in Sections 5849.7,
28 5849.8, and 5849.9 and the ongoing monitoring and enforcement
29 of the applicants’ activities pursuant to Sections 5849.8, 5849.9,
30 and 5849.11.

31 (2) “Competitive program” means the portion of the program
32 established by Section 5849.8.

33 (3) “Distribution program” means the portion of the program
34 described in Section 5849.9.

35 (n) “Target population” means individuals or households, as
36 provided in Section 5600.3, who are homeless, chronically
37 homeless, or at risk of chronic homelessness.

38 (o) This section shall become operative on January 1, 2025, if
39 amendments to the Mental Health Services Act are approved by
40 the voters at the March 5, 2024, statewide primary election.

1 ~~SEC. 68.~~

2 *SEC. 67.* The provisions of this act are severable. If any
3 provision of this act or its application is held invalid, that invalidity
4 shall not affect other provisions or applications that can be given
5 effect without the invalid provision or application.

6 ~~SEC. 69.~~

7 *SEC. 68.* The Legislature finds and declares that the state faces
8 a severe housing shortage, largely due to the lack of available
9 housing affordable to lower income and moderate-income families.
10 By expanding opportunities for ownership of more affordable
11 housing types on smaller, less expensive parcels, this act ensures
12 access to affordable housing and addresses a matter of statewide
13 concern, rather than a municipal affair as that term is used in
14 Section 5 of Article XI of the California Constitution. Therefore,
15 Section 28 of this act amending Section 66499.41 of the
16 Government Code applies to all cities, including charter cities.

17 ~~SEC. 70.~~

18 *SEC. 69.* The Legislature finds and declares all of the following:

19 (a) The state faces a housing crisis of availability and
20 affordability, in large part due to a severe shortage of housing.

21 (b) Solving the housing crisis therefore requires a multifaceted,
22 statewide approach, which will include, but is not limited to, any
23 or some of the following:

24 (1) Encouraging an increase in the overall supply of housing.

25 (2) Encouraging the development of housing that is affordable
26 to households at all income levels.

27 (3) Removing barriers to housing production.

28 (4) Expanding the availability of rental housing.

29 (c) A temporary pause on additional changes to state building
30 standards affecting residential construction for six years, with
31 limited exceptions, would support this statewide approach by
32 bringing more certainty to the home construction industry,
33 including both affordable and market-rate developers, and helping
34 stem further construction cost increases.

35 (d) Addressing the housing crisis and the severe shortage of
36 housing is a matter of statewide concern and is not a municipal
37 affair as that term is used in Section 5 of Article XI of the
38 California Constitution. Therefore, Sections 29, 30, 31, and 41 of
39 this act amending Sections 17958, 17958.5, 17958.7, and 18941.5

1 of the Health and Safety Code apply to all cities, including charter
2 cities.

3 ~~SEC. 71.~~

4 *SEC. 70.* The Legislature finds and declares that Section-60
5 59 of this act adding Section 21080.66 to the Public Resources
6 Code addresses a matter of statewide concern and is not a
7 municipal affair as that term is used in Section 5 of Article XI of
8 the California Constitution. Therefore, Section-40 59 of this act
9 applies to all cities, including charter cities.

10 ~~SEC. 72.~~

11 *SEC. 71.* (a) The Legislature finds and declares all of the
12 following:

13 (1) The state faces a housing crisis of availability and
14 affordability, in large part due to a severe shortage of housing.

15 (2) Solving the housing crisis therefore requires a multifaceted,
16 statewide approach which will include, but is not limited to, any
17 or some of the following:

18 (A) Encouraging an increase in the overall supply of housing.

19 (B) Encouraging the development of housing that is affordable
20 to households at all income levels.

21 (C) Removing barriers to housing production.

22 (D) Expanding home ownership opportunities.

23 (E) Expanding the availability of rental housing.

24 (b) Therefore, addressing the housing crisis and the severe
25 shortage of housing is a matter of statewide concern and is not a
26 municipal affair as that term is used in Section 5 of Article XI of
27 the California Constitution. Therefore, this act applies to all cities,
28 including charter cities.

29 ~~SEC. 73.~~

30 *SEC. 72.* The Legislature finds and declares that a special
31 statute is necessary and that a general statute cannot be made
32 applicable within the meaning of Section 16 of Article IV of the
33 California Constitution because of the unique construction of
34 housing projects in the City and County of San Francisco.

35 ~~SEC. 74.~~

36 *SEC. 73.* No reimbursement is required by this act pursuant
37 to Section 6 of Article XIII B of the California Constitution because
38 a local agency or school district has the authority to levy service
39 charges, fees, or assessments sufficient to pay for the program or
40 level of service mandated by this act or because costs that may be

1 incurred by a local agency or school district will be incurred
2 because this act creates a new crime or infraction, eliminates a
3 crime or infraction, or changes the penalty for a crime or infraction,
4 within the meaning of Section 17556 of the Government Code, or
5 changes the definition of a crime within the meaning of Section 6
6 of Article XIII B of the California Constitution.

7 However, if the Commission on State Mandates determines that
8 this act contains other costs mandated by the state, reimbursement
9 to local agencies and school districts for those costs shall be made
10 pursuant to Part 7 (commencing with Section 17500) of Division
11 4 of Title 2 of the Government Code.

12 ~~SEC. 75.~~

13 *SEC. 74.* This act is a bill providing for appropriations related
14 to the Budget Bill within the meaning of subdivision (e) of Section
15 12 of Article IV of the California Constitution, has been identified
16 as related to the budget in the Budget Bill, and shall take effect
17 immediately.