

Date of Hearing: April 9, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 1007 (Blanca Rubio) – As Amended March 24, 2025

**SUBJECT:** Land use: development project review.

**SUMMARY:** Expedites timelines for approval or disapproval by a public agency acting as the “responsible agency” for residential and mixed-use development projects. Specifically, **this bill:**

- 1) Requires a public agency, other than the California Coastal Commission, that is a responsible agency for a development project, that is residential units only, mixed-use development projects, transitional or supportive housing, or farmworker housing, as specified, that has been approved by the lead agency to approve or disapprove the development project within whichever of the following periods of time is longer:
  - a) Within 45 days from the date on which the lead agency has approved the project; or
  - b) Within 45 days of the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.
- 2) Finds and declares that the bill addresses a matter of statewide concern rather than a municipal affair, therefore the bill applies to all cities, including charter cities.
- 3) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated.

**EXISTING LAW:**

- 1) Establishes the Permit Streamlining Act (PSA). [Government Code (GOV) § 65920-65964.5]
- 2) Requires a public agency to determine if an application for a development project is complete within 30 days of receiving an application. 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. If the local agency does not make a determination with 30 days of receiving an application for a development permit, then the application shall be deemed complete. (GOV § 65943)
- 3) Defines “lead agency” to mean the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. [Public Resources Code (PRC) § 21067]
- 4) Defines “responsible agency” to mean a public agency, other than the lead agency, which has responsibility for carrying out or approving a project. (PRC § 21069)
- 5) Requires lead agencies to approve or disapprove a project within the following timelines:
  - a) 180 days from the date of certification of the environmental impact report (EIR) by the lead agency.

- b) 90 days from the date of certification of the EIR if the development project is either all residential units or is a mixed use development consisting of residential and nonresidential uses, as specified.
  - c) 60 days from the date of certification of the EIR by the lead agency for a development project that meets all of the following:
    - i) The development project is either all residential units or is a mixed use development consisting of residential and nonresidential uses, as specified.
    - ii) At least 49% of units in the development project are affordable to very low or low income households, as specified.
    - iii) The lead agency has received notice that the project has submitted or will submit an application for financial assistance from a public agency or a federal agency, as specified.
  - d) 60 days from the date of adoption by the lead agency of a Negative Declaration.
  - e) 60 days from the determination by the lead agency that the project is exempt from California Environmental Quality Act (CEQA). (GOV § 65950)
- 6) Prohibits a public agency to from disapproving an application for a development project in order to meet the time limits required in the PSA. Requires a local agency to specify the reason for a disapproval other than the failure to timely act in accordance with the time limits of the PSA. (GOV § 65952.2)
- 7) Establishes CEQA. Under CEQA, a lead agency determines whether a project is exempt from CEQA. If a project has no effect on the environment or if it has effects that can be mitigated, the lead agency prepares a Negative Declaration or Mitigated Negative Declaration. If the project will have significant impacts, the lead agency prepares an EIR to evaluate and propose mitigation measures for any effects on the environment, including impacts or likely impacts to land, air, water, minerals, flora, fauna, ambient noise, and historic or aesthetic significance. (PRC § 21000-21189)
- 8) Requires all lead agencies to prepare and certify the completed EIR on any project that may have significant effect on the environment. (PRC § 21100)
- 9) Requires all local agencies to prepare and certify an EIR on any project that has significant effect on the environment, as defined. Allows the certification of an EIR, approval of a Negative Declaration or Mitigated Negative Declaration, or determination that a project is not subject to CEQA that is made by a nonelected decision-making body of a local lead agency to be appealed to the agency's elected decision-making body, if any. (PRC § 21151)
- 10) Statutory exemptions in CEQA include the following:
- a) Small residential housing projects with low environmental impact that are for affordable agriculture, affordable urban, or urban infill housing projects. (PRC § 21159.20-21159.24)

- b) Mixed-use, and "employment center" projects located within "transit priority areas," if the project is consistent with an adopted specific plan or other planning document that aligns transportation and housing elements to reduce greenhouse gas emissions. (PRC § 21155.4)
  - c) Multi-family residential and mixed-use housing projects on infill sites within cities and unincorporated areas that are within urbanized areas or urban clusters. (PRC § 21159.25)
  - d) Affordable housing projects and transitional housing projects for youth and young adults, as defined; low barrier navigation centers, and supportive housing located in the City of Los Angeles or unincorporated areas in the County of Los Angeles until 2030. (PRC § 21080.27)
- 11) The following types of residential housing projects are eligible for ministerial approval and therefore not subject to CEQA:
- a) SB 35 (Wiener) Chapter 366, Statutes of 2017 /SB 423 (Wiener) Chapter 778, Statutes of 2023.
  - b) Projects consistent with AB 2011 (Wicks) Chapter 647, Statutes of 2022 which include affordable housing projects in commercial zones. Law establish by AB 2011 (Wicks) requires eligible projects to pay prevailing wage to construction workers and requires projects of 50 units or more to participate in an apprenticeship program and make specified healthcare contributions for construction workers. (GOV § 65912.100)
  - c) Accessory dwelling units and junior accessory dwelling units. (GOV § 66323)
  - d) Farmworker housing. [Health and Safety Code (HSC) 17021.8]
  - e) Permanent supportive housing. (HSC § 50675.1.5)

**FISCAL EFFECT:** This bill is keyed fiscal and contains a state-mandated local program.

**COMMENTS:**

- 1) **Bill Summary.** This bill decreases the amount of time a responsible agency has to approve or disapprove a residential or specified mixed-use project from 90 days to 45 days. This deadline begins from the date a lead agency approves the development project or the date on which the completed application for the development project has been received and accepted as complete by the responsible agency, whichever is longer.

This bill is sponsored by the California Building Industry Association.

- 2) **Author's Statement.** According to the author, "AB 1007 takes aim at one of the biggest bottlenecks in the process—permit approvals. This bill cuts the time frame for responsible agencies to act on housing permit applications from 90 days to just 45.

"At the heart of the permitting process is the 'shot clock'—the countdown regulatory agencies must adhere to once an application is deemed complete. While prior legislation expedited the shot clock for lead agencies specifically for housing projects, but did not correspondingly shorten the clock for responsible agencies to act on a complete application

and delays in the permit process. These holdups—especially for permits issued by state and regional agencies—have remained a stubborn obstacle to getting much-needed housing built.

“By aligning the shot clock across the board, AB 1007 aims to bring much-needed efficiency and predictability to the housing approval process, ensuring projects move forward faster and communities get the housing they desperately need.”

- 3) **Police Powers.** Planning for and approving new development is mainly a local responsibility. The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public – including land use authority. Cities and counties enforce this land use authority through zoning regulations, as well as through an “entitlement process” for obtaining discretionary as well as ministerial approvals.

The scale of the proposed development, as well as the existing environmental setting determine the degree of local review that occurs. For larger developments, the local entitlement process commonly requires multiple discretionary decisions regarding the subdivision of land, environmental review pursuant to CEQA, and project review by the local agency’s legislative body (city council or county board) or by a planning commission delegated by the legislative body.

- 4) **Permit Streamlining Act.** The PSA applies to all public agencies, including charter cities, and was adopted to ensure that permit applicants for projects are not subjected to protracted and unjustified governmental delays in the processing of the applications for development projects. The Legislature, in enacting the PSA, declared that "there is a statewide need to ensure clear understanding of the specific requirements which must be met in connection with the approval of development projects and to expedite decisions on such projects."

Submittal of a project application is the first step in the streamlined permitting process. Within 30 calendar days of receiving an application, a local agency is required to respond to the applicant in writing with the determination of whether the application is complete and accepted for filing. If the application is deemed complete, the local agency proceeds with the evaluation of the project, but if the application is incomplete, the local agency is required to indicate in detail the deficiencies in the application.

All deadlines under the PSA begin from the day the application is accepted as complete or deemed complete. The completion date also starts the clock running on processing the application. If a city is acting as the lead agency for a project for which an EIR is prepared, then the city must approve or disapprove the project within 180 days from the date of the EIR's certification. The PSA specifies other time lines for approval or disapproval by the public agency, in coordination with specific CEQA actions, like whether a project is exempt from CEQA, the adoption of a negative declaration, or the certification of an EIR.

The PSA also contains timelines for approval of a development project for a responsible agency, once the project has been approved by the lead agency. "Development project" is defined as either a) residential units only; or, b) mixed-use developments consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the

total square footage of the development and are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories.

If approval or disapproval of a project by a lead agency does not occur within these deadlines, the project may be deemed approved provided the prescribed public notice requirements have been met.

5) **And they're off! – PSA Timelines for Public Agencies.** Existing law requires a lead agency to approve or disapprove a project by the following deadlines:

- a) 180 days from the date a lead agency certifies a development project's EIR.
- b) 90 days from the date a lead agency certifies an EIR for a development project that is all residential units or is a mixed use development consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the total square footage of the development.
- c) 60 days from the date a lead agency certifies an EIR for a development project that is all residential units or is a mixed use development consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the total square footage of the development, and meets all of the following:
  - i) At least 49% of the units are affordable to very low or low-income households.
  - ii) Prior to the application being deemed complete, the lead agency received notice from the applicant that an application has been made or will be made for an allocation or commitment of financing, tax credit, bond authority, or financial assistance from a public agency or federal agency.
  - iii) There is confirmation that the application has been made to the public agency or federal agency prior to the certification of the EIR.
- d) 60 days from the date of adoption by the lead agency of the negative declaration.
- e) 60 days from the determination by the lead agency that the project is exempt from CEQA.

A public agency that is a responsible agency for a development project that has been approved by the lead agency shall approve or disapprove within the longer of the following timelines:

- a) 180 days from the date on which the lead agency has approved the development project.
- b) 180 days from the date on which the completed application for the development project has been received and accepted as complete by that responsible agency.

With the exception of the California Coastal Commission, a public agency that is a responsible agency for development projects that are all residential units or is a mixed use development consisting of residential and nonresidential uses in which the nonresidential uses are less than 50% of the total square footage of the development, the longer of following timelines will apply:

- a) Within 90 days from the date the lead agency has approved the development project.
  - b) Within 90 days of the date on which the completed application for the development project has been received and accepted as complete by the responsible agency.
- 6) **The A, B, C's of CEQA.** CEQA is designed to (a) make government agencies and the public aware of the environmental impacts of a proposed project, (b) ensure the public can take part in the review process, and (c) identify and implement measures to mitigate or eliminate any negative impact the project may have on the environment. CEQA is enforced often by civil lawsuits that can challenge any project's environmental review. Nonprofits, private individuals, public agencies, advocacy groups, and other organizations can all file lawsuits under CEQA.
- 7) **Housing and CEQA.** A project is exempt from CEQA if it is ministerial (i.e., it does not involve discretionary decisions), or if there is a specific statutory or categorical exemption that applies to the project. Statutory exemptions are created by the Legislature and apply even if a project has the potential to significantly affect the environment. In contrast, categorical exemptions, which are listed in the CEQA guidelines, generally do not apply if there are significant environmental impacts associated with the project, including if (1) there is a reasonable possibility of a significant effect on the environment due to unusual circumstances; (2) significant cumulative impacts from projects of the same type will result; or (3) the project will have impacts on a uniquely sensitive environment.

Affordable housing, as a subset of housing, could be eligible for any of these exemptions so long as the project meets the specific criteria for a given exemption. These exemptions come with their own eligibility criteria, including that projects meet certain urban density and size requirements, avoid impacts on sensitive habitat, wildlife, and the environment, and are not on sensitive sites.

- 8) **What's the Difference? Shouldn't They All be Responsible?** A "lead agency" is the public agency that has the principal responsibility for carrying out or approving a project. The lead agency will determine whether the project is subject to CEQA or is exempt. If the project is subject to CEQA, then the lead agency will determine whether an EIR, Mitigated Negative Declaration, or Negative Declaration will be required for the project. The lead agency is responsible for preparing the appropriate CEQA document. Most often, the lead agency is a public agency that has general governmental powers and will be supervising or approving the project as a whole, like a city or county.

A "responsible agency" is the public agency, other than the lead agency, that has responsibility for carrying out or approving a project. For the purposes of CEQA, the term "responsible agency" can include any public agency, other than the lead agency, which have discretionary approval power over the project, typically in approving a permit. Commonly, responsible agencies are agencies with a single or limited purpose such as an air pollution control district, public or municipal utility, agencies that provide water or sewage services, or a "local enforcement agency", which have the primary responsibility for ensuring the correct operation and closure of solid waste facilities in the state. State agencies can also be the responsible agency for certain types of projects that alter streambeds, affect habitats, or are adjacent to state highways.

Responsible agencies can impact the scope and contents of the analysis by commenting on a CEQA document and providing consultation to the lead agency, when required. Once an environmental document is certified or adopted by the lead agency, the responsible agency uses the CEQA document to inform their decisions.

9) **Policy Considerations.** The Committee may wish to consider the following:

- a) **Timely Solution?** Under the PSA, a lead agency is required to approve or disapprove a development project that is all residential units or specified mixed-use development projects within 90 days from the certification of an EIR, 60 days for projects where 49% of the units are affordable to lower income households and are receiving financial assistance from a public or federal agency, 60 days from the date of the adoption of a Negative Declaration, and 60 days for a determination that a development project is not subject to CEQA. This bill requires a responsible agency to approve or disapprove a project within 45 days of the lead agency approving the project which is half the time they currently have in existing law. The Committee may wish to consider if 45 days is enough time for a responsible agency to prudently consider a CEQA document and make a decision, specifically, EIRs which can be thousands of pages long.
- b) **No Money, Mo' Problems.** In order to meet the timelines set out in this bill, a local agency may opt to increase staff and dedicate more resources to prudently meet the requirements of this bill. However, this bill provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated. The Committee may wish to consider if 45 days strikes the right balance between expediting project approvals and an agency (potentially) increasing development fees to meet the requirements of the bill.

10) **Related Legislation.** SB 489 (Arreguin) revises the definition of a “housing development project” to include an approval in connection with a housing development project or any necessary permit, review clearance, or agreement that is required as a condition of approval. This bill is currently under consideration in the Senate Rules Committee.

11) **Previous Legislation.** AB 914 (Friedman) of 2023 would have established a two-year time limit, from the date the application is submitted, for a lead state agency to complete CEQA review and approve or deny an application for an electrical infrastructure project. This bill was held in the Assembly Appropriations Committee.

AB 2180 (Ting) Chapter 566, Statutes of 2016, expedited timelines for approval or disapproval by a public agency for certain types of development projects.

12) **Arguments in Support.** The California Building Industry Association, “AB 1007 (Rubio) aims to reform a component of California’s Permitting Streamlining Act (PSA) by reducing the time limit or “shot clock” for responsible agencies to act on permit applications for housing development projects from 90 days to 45 days. The shortened timeline allows builders to expedite vitally needed housing production. This approach is consistent with the Legislature’s approval of two other applicable shot clock timeframe reductions for lead agencies since 2019.”

13) **Arguments in Opposition.** None on file.

14) **Double-Referral.** This bill is double-referred to the Housing and Community Development.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Building Industry Association (Co-Sponsor)  
California Business Properties Association (Co-Sponsor)  
California Business Roundtable(Co-Sponsor)  
California Nevada Cement Association(Co-Sponsor)  
Naip of California (Co-Sponsor)  
California Association of Realtors

**Opposition**

None on file

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