Date of Hearing: April 23, 2025

## ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT Juan Carrillo, Chair AB 671 (Wicks) – As Amended March 24, 2025

#### SUBJECT: Accelerated restaurant building plan approval

**SUMMARY**: Requires a local building department or permitting department to allow a qualified professional certifier to certify compliance with applicable building, health, and safety codes for a tenant improvement relating to a restaurant. Specifically, **this bill**:

- 1) Defines a "qualified professional certifier" as a licensed architect or professional engineer, as defined in existing law, who meets both of the following conditions:
  - a) Has at least five years of experience in commercial building design or plan review.
  - b) Maintains professional liability insurance in an amount not less than \$2 million per occurrence.
- 2) Requires a local building department or local permitting department to allow a qualified professional certifier to certify compliance with applicable building, health, and safety codes for a tenant improvement relating to a restaurant.
- 3) Requires a tenant improvement relating to a restaurant to comply with building standards approved by the California Building Standards Commission (CBSC) and local building standards in effect at the time the application for a permit is submitted.
- 4) Requires a qualified professional certifier to submit a statement attesting that the tenant improvement plans and specifications comply with all applicable laws and regulations.
- 5) Deems a certified plan approved for permitting purposes upon submission of the certification, provided that all fees and required documents have been submitted.
- 6) Requires each local building department or local permitting department to annually conduct a random audit of no less than 10% and no more than 20% of all tenant improvements submitted for certification under this bill, as follows:
  - a) Requires the audit to be initiated within five business days following permit issuance.
  - b) Requires the audit to include a review of the submitted plans for compliance with applicable laws.
  - c) Requires, if an audit reveals material noncompliance, the local building department or local permitting department to provide a plan check correction notice within 10 days of the audit's initiation.
  - d) Allows repeated violations by a qualified professional certifier to result in suspension or revocation of certification privileges.

- 7) Provides that certification under this bill does not exempt a tenant improvement from other mandatory construction inspections, including, but not limited to, fire, health, and structural inspections conducted during or after construction.
- 8) Provides that this bill does not limit the authority of the local health department to conduct food facility inspections as required under the California Retail Food Code.
- 9) Provides that any false statement in a certification submission made under this bill is grounds for disciplinary action by the California Architects Board or the Board of Professional Engineers, Land Surveyors, and Geologists, as applicable.
- 10) Authorizes local jurisdictions to impose reasonable administrative penalties, including fines, for willful noncompliance with the requirements of this bill.
- 11) Provides that this bill does not prohibit a local building department or local permitting department from charging permit fees for applications utilizing a qualified professional certifier.
- 12) Provides that qualified professional certifiers are liable for any damages arising from negligent plan review.
- 13) Provides that this bill does not reduce or limit the authority or liability of a local building department or local permitting department.
- 14) Finds and declares that this bill address a matter of statewide concern and not a municipal affair and therefore applies to all cities, including charter cities, as specified.
- 15) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution 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 by this bill, as specified.
- 16) Makes related findings and declarations.

# **EXISTING LAW:**

- 1) Defines an "architect" as a person who is licensed to practice architecture in this state. [Business and Professions Code (BPC) § 5500]
- 2) Defines a "professional engineer" as a person engaged in the professional practice of rendering service or creative work requiring education, training and experience in engineering sciences and the application of special knowledge of the mathematical, physical and engineering sciences in such professional or creative work as consultation, investigation, evaluation, planning or design of public or private utilities, structures, machines, processes, circuits, buildings, equipment or projects, and supervision of construction for the purpose of securing compliance with specifications and design for any such work. (BPC § 6701)

- 3) Establishes the CBSC within the Department of General Services (DGS), and requires any building standard adopted or proposed by state agencies to be submitted to, and approved or adopted by, the CBSC prior to codification. [Health and Safety Code (HSC) § 18930]
- 4) Establishes the Permit Streamlining Act (PSA), which, among other things, establishes time limits within which state and local government agencies must either approve or disapprove permits to entitle a development. [Government Code (GOV) §§ 65920 65964.5]
- 5) Allows the governing body of a local agency to authorize its enforcement agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions, as specified. (HSC § 19837)
- 6) Requires a local agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions upon the request of an applicant for a nonresidential permit for the remodeling or tenant improvements of a building, as specified, where there is an "excessive delay" in checking the plans and specifications that are submitted as a part of the application. (HSC § 19837)
- 7) Generally defines, for a nonresidential permit for a building other than a hotel or motel that is three stories or less, "excessive delay" to mean the building department or building division of the local agency has taken more than 50 days after submitting a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. (HSC § 19837)
- 8) Requires a person proposing to build or remodel a food facility to submit complete, easily readable plans drawn to scale, and specifications to the enforcement agency for review, and to receive plan approval before starting any new construction or remodeling of a facility for use as a retail food facility (HSC § 114380).
- 9) Requires the enforcement agency to approve or reject the plans to build or remodel a food facility within 20 working days after receipt and to notify the applicant of the decision. Unless the plans are approved or rejected within 20 working days, they shall be deemed approved. (HSC § 114380)
- 10) Requires the food facility, if a determination is made by the enforcement agency that a structural condition poses a public health hazard, to remedy the deficiency to the satisfaction of the enforcement agency. (HSC § 114380)
- 11) Prohibits a food facility from opening for business without a valid permit. (HSC § 114381)
- 12) Requires the enforcement agency to issue a permit for a food facility when investigation has determined that the proposed facility and its method of operation meet the specifications of the approved plans or conforms to the requirements, as specified. (HSC § 114381)
- 13) Specifies that a food facility permit is nontransferable and that the permit is only valid for the person, location, type of food sales, or distribution activity and, unless suspended or revoked for cause, for the time period indicated. (HSC § 114381)

14) Subjects violators who operate a food facility without the necessary permits to closure of the food facility and a penalty not exceeding three times the cost of the permit. (HSC § 114387)

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

## **COMMENTS**:

1) Author's Statement. According to the author, "Restaurants are the backbone of California's local economies and communities. Often family-owned, restaurants serve as cultural anchors, preserving and sharing diverse food traditions across generations while establishing spaces for gatherings and celebrations. These establishments reflect California's diversity, agricultural abundance, and tradition of culinary innovation. The restaurant industry also plays a critical role in providing first jobs, career advancement opportunities, and pathways to business ownership for immigrant entrepreneurs and historically underserved communities. And throughout our state, food tourism generates key economic activity.

"Despite restaurants' vital role in local economies and communities, the process of opening a restaurant in California is both time- and cost-prohibitive. As highlighted in a recent San Francisco Chronicle article, frequent and common delays in municipal building plan review processes often place undue costs and pressure on small-business owners. When these owners face cumbersome, even insurmountable, hurdles to opening restaurants, their communities are denied access to vital venues for authentic local food and connection.

"AB 671 responsibly reduces barriers to opening a new restaurant in California by establishing a professional certification program that streamlines the municipal review process, allowing qualified architects and engineers to certify restaurant retrofits—often completed by small restaurants—that convert an existing facility to a new use. The framework incorporates randomized audits to ensure compliance and does not exempt restaurants from mandatory construction inspections, such as fire, health, and structural checks. Thus, the legislation facilitates timely restaurant openings while maintaining vital public safety standards. American cities including New York, Washington, D.C., and Chicago have seen success with 'pro cert' programs. With AB 671, California will similarly simplify the review process for restaurant owners, lessening the burden on many small businesses and community hubs so they can open faster."

- 2) **Police Power.** 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.
- 3) Building Codes. The California Building Standards Code (Title 24 of the California Code of Regulations) contains building standards and regulations as adopted by the CBSC. These standards include, among other requirements, structural standards for building safety (the Building Code), fire safety standards (the Fire Code), energy efficiency standards (the Energy Code), and standards for green buildings (CalGreen). The CBSC updates the Building Standards Code on a three-year cycle—the CBSC published new standards that went into effect on January 1, 2023. Once adopted at the state level, cities and counties in California then enact an ordinance to adopt the codes. Improvements to existing buildings

must comply with the current building codes, and may trigger additional code upgrades for other parts of the building.

4) **Building Permit Approvals.** A builder may need a range of administrative permits from the local agency in order to actually complete the work to construct or modify a building. These permits can include building permits and other permits for: demolition; grading; excavation; electrical, plumbing, or mechanical work; encroachment in the public right-of-way; roofing; water and sewer connections or septic systems; fire sprinklers; and home occupations.

City and county building departments enforce the provisions of the State Housing Law, the California Building Standards Code, and local zoning codes that specify the allowable forms and uses of buildings within a city or county's jurisdiction. Within building departments, the positions responsible for evaluating building permits for compliance include building officials, inspectors, plan checkers, and civil engineers. State Housing Law also allows local agencies to hire private entities on a temporary basis to perform plan checking services. Some agencies contract out a portion of their workload during especially busy times, or certain portions of the building permit review process, such as reviewing compliance with energy efficiency requirements. Other local agencies contract out nearly all plan checking functions to a private firm.

- 5) The Permit Streamlining Act (PSA). The PSA requires public agencies to act fairly and promptly on applications for development proposals. Under the PSA, public agencies have 30 days to determine whether applications for development projects are complete and request additional information; failure to act results in an application being "deemed complete." The PSA applies to the discretionary approval phase of a development review process; this is the phase where the agency, in its discretion, decides whether it approves of the concept outlined in the development proposal. Because the local agency is exercising discretion, these approval decisions are subject to CEQA. Discretionary permits often apply to new developments, significant renovation, or changes in use that may impact the community. Tenant improvements for a restaurant may or may not require discretionary permits.
- 6) **Non-discretionary Post-entitlement Permits.** A development proposal that does not require any discretionary approvals, or has been approved and entitled by a local agency, is still required to obtain approval for a range of non-discretionary permits, including building, health, and safety permits. The timelines established in the PSA do not apply to these non-discretionary permits. This stage of the review process is often ministerial, as these post-entitlement permits are typically objective in nature.

In order to expedite this stage of the development approval process for housing developments, AB 2234 (Robert Rivas), Chapter 651, Statutes of 2022, established parameters for a local agency's review of non-discretionary post-entitlement phase permits, including requiring a local agency to determine whether an application for a post-entitlement building permit is complete within 15 days of the agency receiving the application. Post-entitlement building permits must be approved by local agencies within 30 days for small housing development projects and 60 days for large housing development projects.

AB 1114 (Haney), Chapter 753, Statutes of 2023, expanded the post-entitlement permits subject to the expedited review process and timelines established by AB 2234 to include all building permits and other permits issued under the California Building Standards Code, or

any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary.

- 7) **Plan Checks for Food Facilities**. Existing law requires a person proposing to build or remodel a food facility to submit complete, easily readable plans and specifications to the enforcement agency for review, and to receive plan approval before starting any new construction or remodeling. The enforcement agency is required to approve or reject the plans within 20 working days after receipt and to notify the applicant of the decision. The plans are deemed approved if a decision is not made within 20 working days.
- 8) Excessive Delays for Plan Checks. Existing law requires a local agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions, such as compliance with building, health, and safety codes, upon the request of an applicant when there is an "excessive delay" in checking the applicant's plans and specifications. For a nonresidential permit for the remodeling or tenant improvements of a building, "excessive delay" generally means the building department or building division of the local agency has taken more than 50 days after receiving a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. "Excessive delay" can also be claimed if the agency takes more than 60 days to check the initial application and check resubmitted corrected plans and specifications after the agency had returned the plans to the applicant for correction.
- 9) Local Fast-Tracking of Tenant Improvement Projects. Some cities, including San Diego and Los Angeles, have developed programs to fast-track the permitting and approval process for tenant improvement projects. However, these programs are limited to tenant improvements for Business Group B occupancy, which refers to spaces used for office, professional, or service-type transactions. According to the Building Owners and Manufactures Association of Greater Los Angeles (BOMA/GLA), "During the height of the crisis of the pandemic, Los Angeles Department of Building and Safety (LADBS) met with the American Institute of Architects (AIALA), BOMA/GLA, and the California Construction Authority (CCA) to identify a proactive approach to ensure that the private sector could more effectively and more expeditiously respond to the urgent need to reconfigure, retrofit, and/or reprogram existing workplaces, retail sites, and commercial office buildings to adapt to new market conditions and demands for healthy, safer, and more equitable interior spaces."

Restaurants are classified as Assembly Group A occupancy and do not qualify for the fasttrack programs. Los Angeles' Fast-Track Office Tenant Improvement Program and San Diego's Office Tenant Improvement Professional Certification Permit program require plans to be stamped and signed by a California licensed architect or engineer. The Los Angeles Program additionally requires that the project does not involve a change of use or additional floor area and does not require approval from other city or county departments. The San Diego program requires, among other things, that the project is not a first-generation tenant improvement, does not alter, remove, or add plumbing fixtures, does not make changes to the exterior of the building, does not alter or change stairways or stair vestibules, does not include new floor openings, does not reduce accessibility, and does not require special inspections. The Los Angeles program has a goal of completing plan review within two business days of plan-check fees payment, while San Diego's program offers issuance of a permit within the same day that a virtual appointment is completed.

- 10) Local Definitions of "Tenant Improvement." The term "tenant improvement" is not defined in state law, but several local agencies define this term on their websites. For example:
  - a) City of Azusa, Economic and Community Development Department: "Tenant improvements are commercial additions, or alterations to the interior of an existing building and/or structure, including but not limited to offices, restaurants, storage rooms, demising walls and conveying equipment systems."
  - b) City of Daly City, Economic Development Department: "A commercial tenant improvement project involves the interior remodeling of an existing office or retail space to upgrade for the present tenant or change to accommodate a new tenant."
  - c) City of Simi Valley, Environmental Services Department: "A tenant improvement involves an alteration to an existing building, either interior or exterior, or both, in which case you will need to meet City requirements regarding architectural design, building occupancy, construction, parking, business signage, landscaping, and possible public right-of-way and sewer improvements."
- 11) **Bill Summary.** This bill requires a local building department or permitting department to allow a qualified professional certifier, defined as a professional architect or engineer who meets certain requirements, to certify compliance with applicable building, health, and safety codes for a tenant improvement relating to a restaurant. The tenant improvement is required to comply with building standards approved by the CBSC and local building standards in effect at the time the application for a permit is submitted.

The bill would require the qualified professional certifier to submit a statement attesting that the tenant improvement plans and specifications comply with all applicable laws and regulations. The bill would require that a certified plan be deemed approved for permitting purposes upon submission of the certification, provided that all fees and required documents have been submitted.

This bill requires a local building or permitting department to annually conduct a random audit of 10-20% of all tenant improvements for restaurants submitted by a qualified professional certifier, within five days of permit issuance. If non-compliance is found, the local building department or permitting department must provide a correction notice within 10 days of the audit's initiation.

This bill provides that certification for a restaurant tenant improvement via a qualified professional certifier does not exempt a tenant improvement from other mandatory construction inspections and does not limit the authority of the local health department to conduct food facility inspections.

The bill would also make qualified professional certifiers subject to certain penalties for false statements or willful noncompliance with these provisions, and would make qualified professional certifiers liable for any damages arising from negligent plan review. By requiring local entities to administer a new program and to take certain actions, this bill would impose a state-mandated program.

This bill is author-sponsored.

- 12) Policy Considerations. The Committee may wish to consider the following:
  - a) Whether there is sufficient evidence of a state-wide problem and whether existing law is deficient.
  - b) Defining "tenant improvement" and "restaurant" to increase clarity and specificity of the bill.
  - c) Specifying that the qualified professional certifier cannot have a financial interest in the permit or preparing the plans and specifications.
  - d) Specifying that the applicant must request that the qualified professional certifier certify the plans.
  - e) Specifying that a compliance certification under this bill is at the applicant's own expense.
  - f) Specifying that a qualified professional certifier shall prepare an affidavit, under penalty of perjury, rather than submitting a statement attesting that the plans and specifications comply with all applicable laws and regulations.
  - g) Providing the local building or permitting department 20 business days to approve or deny the application before a certified plan is deemed approved for permitting purposes.
  - h) Increasing the minimum from 10% to 20% and removing the 20% cap and on the percentage of audits a local department is authorized to conduct for projects certified under this bill, in order to ensure a local agency is able to perform plan checks at its discretion.
- 13) **Committee Amendments.** In order to address some of the policy considerations raised above, the Committee may wish to consider the following amendments:
  - a) 66345.1. For purposes of this chapter, <u>the following definitions apply:</u>
    - (a) <u>"Tenant improvement" means changes to the interior of an existing building.</u>
    - (b) <u>"Restaurant" means a retail food establishment that prepares, serves, and vends</u> <u>food directly to the consumer.</u>
  - b) 66345.2. (a) (1) A local building department or local permitting department shall allow, upon request from an applicant for a permit for a tenant improvement relating to a restaurant, a qualified professional certifier to certify, at the applicant's own expense, compliance with applicable building, health, and safety codes for a the tenant improvement relating to a restaurant.
  - c) 66345.2. (b) (1) A qualified professional certifier shall submit a statement prepare an <u>affidavit, under penalty of perjury</u>, attesting that the tenant improvement plans and specifications comply with all applicable laws and regulations.

- d) 66345.2. (b) (2) <u>If, within 20 business days of receiving a completed application,</u> <u>including the affidavit specified in paragraph (1), the local building department or</u> <u>local permitting department does not approve or deny the application, a certified A</u> <u>certified</u> plan shall be deemed approved for permitting purposes <del>upon submission of the</del> <u>certification</u>, provided that all fees and required documents have been submitted.
- e) 66345.2. (b) (3) If a complete application is denied within the 20 business day period described in paragraph (2), the applicant may resubmit corrected plans addressing the deficiencies identified in the denial. The local building department or local permitting department shall approve or deny each subsequent resubmission within 10 business days of receipt.
- f) 66345.2. (c) (1) Each local building department or local permitting department shall annually conduct a random audit of no less than 10 percent and no more than 20 percent of all tenant improvements submitted <u>per week</u> for certification under this chapter.
- g) 66345.2. (c) (3) If an audit reveals material noncompliance, the local building department or local permitting department shall provide a plan check correction notice within 10 <u>business</u> days of the audit's initiation.
- h) 66345.4. (b) This chapter does not reduce or limit the authority or liability of a local building department or local permitting department.
- 14) **Related Legislation.** AB 253 (Ward) allows an applicant for specified residential building permits to employ a private professional provider to check plans and specifications in the event that a building department is unable to complete or estimates being unable to complete the check in 30 days. This bill is pending referral in the Senate.

AB 660 (Wilson) makes a number of changes to law governing the approval and issuance of post-entitlement phase permits and the provision of services for housing development projects by counties, cities and special districts. This bill is pending in this Committee.

- 15) **Previous Legislation.** AB 2433 (Quirk-Silva) of 2024 would have required a local agency to complete plan check services for a building permit within 30 business days of a request from an applicant or employ a private professional to perform plan checking services. AB 2433 was held in the Senate Local Government Committee.
- 16) **Arguments in Support.** The California Restaurant Association states, "Restaurant owners currently face months-long delays in the building plan review process, creating significant financial and operational hardships. These prolonged wait times cause employment opportunities to evaporate, disrupt restaurant openings, delay service, and burden small business owners who depend on timely improvements to remain competitive.

"Recognizing this challenge, major cities including New York City, Chicago, and Washington, D.C. have successfully implemented self-certification programs that allow licensed professionals to verify code compliance. The self-certification of plans has successfully reduced wait times while also ensuring compliance with building and safety standards. "AB 671 expedites the building plan review process for restaurant build-outs without compromising safety. The bill specifically clarifies that self-certification does not exempt projects from required inspections, including fire, health, and structural evaluations. It also mandates that local building departments conduct random audits of self-certified projects to ensure compliance.

"AB 671 simplifies the tenant improvement plan review process for restaurant owners while maintaining safety standards. This will enable restaurants to open more quickly and to employ more people sooner, which will help support economic growth in their communities..."

- 17) Arguments in Opposition. None on file.
- 18) **Double-Referral.** This bill is double-referred to the Assembly Business and Professions Committee.

## **REGISTERED SUPPORT / OPPOSITION:**

### Support

California Restaurant Association California Travel Association Cal Asian Chamber of Commerce Uovo Sushi Nozawa Matu Jon & Vinny's Hiho

# **Opposition**

None on file

Analysis Prepared by: Julia Mouat / L. GOV. / (916) 319-3958