
SENATE COMMITTEE ON HOUSING

Senator Nancy Skinner, Chair

2023 - 2024 Regular

Bill No: AB 2144

Hearing Date: 6/18/2024

Author: Grayson

Version: 4/1/2024

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: General plan: annual report

DIGEST: This bill requires a local government to include in its Annual Progress Report (APR) specified information relating to compliance with existing law requirements to post specified fee and permit information on its website.

ANALYSIS:

Existing law relating to housing elements:

- 1) Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.
- 2) Provides that each community's fair share of housing be determined through the regional housing needs allocation (RHNA) process, which is composed of three main stages: (a) the Department of Finance and Department of Housing and Community Development (HCD) develop regional housing needs estimates; (b) councils of government (COGs) allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and (c) cities and counties incorporate their allocations into their housing elements.

Existing law relating to Annual Progress Reports (APRs):

- 3) Requires each city and county to submit an APR to HCD and the Office of Planning and Research by April 1 of each year that includes all of the following:

- a) Progress in meeting its RHNA share.
- b) Local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.
- c) Actions taken by the city or county towards completing programs contained within the housing element and the status of compliance with deadlines in the housing element.
- d) The number of housing development applications received in the prior year, as well as the number of units included in these applications and the number of units approved and disapproved.
- e) A list of sites rezoned to accommodate the city's or county's RHNA allocation for each income level that could not be accommodated on sites identified in the housing element's site inventory, and any additional sites that may be necessary to accommodate the city's or county's share of regional housing need.
- f) The number of net new units of housing, with a unique site identifier including but not limited to the parcel number, including both rental and for-sale housing, that have been issued a completed entitlement, building permit, or certificate of occupancy in the housing element cycle, and the income category that each unit satisfies.
- g) The number of SB 35 (Wiener, Chapter 366, Statutes of 2017) applications submitted and the total number of developments approved, the number of building permits issued, and the total number of units including both rental and for-sale housing by area median income, constructed through the SB 35 process.
- h) The number of density bonus applications received, and approved, by the city or county.

Existing law pursuant to AB 1483 (Grayson, Chapter 662, Statutes of 2019):

- 4) Requires a city, county, or special district that has an Internet Web site to post on their Web sites the following information, as applicable:
 - a) A current schedule of mitigation fees, exactions, and affordability requirements, as defined, imposed by the city, county, or special district, including any dependent special districts of the city or county, applicable to a housing development project, in a manner that clearly identifies the fees that apply to each parcel.
 - b) All zoning ordinances and development standards, including which standards apply to each parcel.
 - c) A list that cities and counties must develop under existing law of projects located within military use airspace or low-level flight path.

- d) The current and five previous annual fee reports or the current and five previous annual financial reports that local agencies must compile under to existing law.
 - e) An archive of impact fee nexus studies, cost of service studies, or equivalent, conducted by the city, county, or special district on or after January 1, 2018.
- 5) Requires a city or county to update the information required in (4) above, within 30 days of the changes.

Existing law pursuant to AB 2234 (Rivas, Chapter 651, of 2023):

- 6) Requires each local government to provide for post-entitlement phase permits to be applied for, completed, and retrieved by the applicant through the local government’s website. Requires the website to list the current processing status of the applicant’s permit, including whether it is being reviewed by the agency or if action is required from the applicant. Provides for a bifurcated timeline for larger and smaller cities and counties to comply with these requirements.
- 7) Defines “post-entitlement phase permits” to include all nondiscretionary permits and reviews after the discretionary entitlement process has been completed that are require or issued by the local agency to begin construction of a development that is intended to be at least two-thirds residential, excluding planning permits, entitlements, and other permits and reviews that are covered by the Permit Streamlining Act (PSA).
- 8) Specifies that a post-entitlement phase permit shall include but not be limited to: building permits, permits for minor or standard off-site improvements, permits for demolition, and permits for minor or standard excavation and grading. It does not include a permit required and issued by the California Coastal Commission, a special district, or a utility that is not owned by a local agency.

This bill:

- 1) Requires a local government to include both of the following in its APR:
 - a) Evidence of compliance with existing law requirements (AB 1483 of 2019) to post specified fee information on its website.
 - b) Progress in complying with existing law requirements (AB 2234 of 2022) relating to post-entitlement permits.

COMMENTS:

- 1) *Author statement.* “AB 1483 (Grayson, 2019) was a significant step forward in providing greater transparency on development impact fees, and it required jurisdictions to provide information on impact fee schedules, nexus fees studies, and other information that could help inform a developer of a jurisdiction’s impact fees. Despite the progress made on providing greater transparency on development impact fees, recent reports by SPUR and the Turner Center found that there were significant shortcomings in compliance with the requirements of AB 1483 by many jurisdictions. While many jurisdictions have provided the information required by AB 1483, fee schedules often did not provide all applicable fees and other requirements of the bill were not being adequately complied with. Additionally, AB 2234 (Robert Rivas, 2022) was enacted to require jurisdictions to provide certain permitting tools online. AB 2144 would enhance enforcement of existing law by requiring jurisdictions to show evidence in their Annual Progress Report that they are complying with the requirements of AB 1483 and AB 2234. This will be a useful tool to ensure that jurisdiction are complying with impact fee transparency requirements and ultimately improve accessibility in housing development.”
- 2) *APRs.* APRs are an important tool for both local governments and the state, as both parties can rely on them to track progress in implementing the housing policy in their housing element, as well as to track outcomes. They also help highlight implementation challenges that may require technical assistance or other support from HCD. Additionally, APRs are important for informing statewide housing policy. The APRs provide the data that, aggregated across the state’s 539 cities and counties, convey the amount, type, location, and affordability of housing be produced in California. Existing law provides a list of requirements for what must be reported in the APR (see Existing Law, #3 above).
- 3) *AB 1483 requirements.* Concerned that mitigation fees could be increasing the cost of housing, the Legislature passed AB 879 (Grayson, 2017), which required HCD to complete a study to evaluate the reasonableness of local fees charged to new developments. In August 2019, HCD released the study, performed by UC Berkeley’s Turner Center for Housing Innovation (Turner Center).¹ Among other conclusions, the report argued that fees can be a barrier to development and can raise prices of both new and existing homes; however, it also noted that local governments face substantial fiscal constraints and thus

¹ Hayley Raetz, David Garcia, and Nathaniel Decker. *Residential Impact Fees in California* (Turner Center for Housing Innovation, UC Berkely, August 2019). https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Residential_Impact_Fees_in_California_August_2019.pdf

have turned to fees as a source of revenue to fund public services for new developments. The report found that fee transparency could be substantially improved. According to the study, many jurisdictions do not post their fee schedules or their nexus studies online, making it difficult for developers to estimate project costs, while other jurisdictions have adopted best practices such as offering an estimate of the fees that a project would pay. The study recommended requiring local governments to post fees and nexus studies online, as well as annual reports on fee collections, and requiring jurisdictions to provide fee estimates. In response, the Legislature passed AB 1483 (Grayson, 2019), which required cities and counties to post specified housing-related information on their website and required HCD to establish a workgroup to develop a strategy for state housing data.

SPUR, the sponsor of this bill, SPUR, released a report in May 2021 with the Turner Center analyzing local governments' compliance with AB 1483.² Of the 50 cities and 10 counties they analyzed, comprehensive fee schedules were available on less than half the websites, another 40% had outdated or incomplete fee schedules; and more than three-quarters of the websites did not have any nexus studies posted.

This bill requires each local government to report on the status of its compliance with the requirements of AB 1483 (see Existing Law #4 above) in its APR.

- 4) *AB 2234 requirements.* AB 2234 required a local agency to compile one or more lists of information that will be required from any applicant for a post-entitlement phase permit. It also required each local government to offer post-entitlement phase permits to be applied for, completed, and retrieved by an applicant on its website.

This bill requires each local government to report on the status of its compliance with the requirements of AB 2234 relating to post-entitlement permits (see Existing Law #6-8 above) in its APR.

RELATED LEGISLATION:

AB 2580 (Wicks, 2024) — requires a local government to provide specified information about historic designations, and how they affect its ability to meet its

² SPUR in consultation with the Turner Center, *How Much Does it Cost to Permit a House? An analysis of city and county compliance with California AB 1483 and recommendations to improve the transparency of development fees* (May 2021) at [SPUR How Much Does It Cost To Permit A House 0.pdf](#).

housing needs, in its APR and housing element. *This bill will also be heard in this committee today.*

AB 2234 (R. Rivas, Grayson, Chapter 651, Statutes of 2022) — established time limits and procedures for approval of, and requires online permitting of, post-entitlement permits.

AB 1483 (Grayson, Chapter 662, Statutes of 2019) — required cities and counties to post specified housing-related information on their websites and required HCD to establish a workgroup to develop a strategy for state housing data.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June 12, 2024.)

SUPPORT:

SPUR (Sponsor)
Abundant Housing LA
California Apartment Association
California Building Industry Association (CBIA)
California Community Builders
California Hispanic Chambers of Commerce
California Housing Consortium
California YIMBY
CivicWell
Housing Action Coalition
Housing Trust Silicon Valley
LeadingAge California
MidPen Housing
YIMBY Action

OPPOSITION:

None received