
SENATE COMMITTEE ON HOUSING
Senator Nancy Skinner, Chair
2023 - 2024 Regular

Bill No: SB 1361 **Hearing Date:** 4/16/2024
Author: Blakespear
Version: 4/8/2024 Amended
Urgency: No **Fiscal:** No
Consultant: Alison Hughes

SUBJECT: California Environmental Quality Act: exemption: local agencies: contract for providing services for people experiencing homelessness

DIGEST: This bill exempts from the California Environmental Quality Act (CEQA) any actions taken by local agencies related to contracting for services for people experiencing homelessness.

ANALYSIS:

Existing law:

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for the project, unless the project is exempt from the California Environmental Quality Act (CEQA). If a project may have a significant effect on the environment, the lead agency must prepare a draft EIR.
- 2) Exempts from CEQA any extension of time given to a city or county to prepare or adopt any elements of a general plan.
- 3) Exempts from CEQA actions taken by HCD, CalHFA, and local agencies to provide financial assistance or insurance to develop and build housing for people with low or moderate incomes as long as the project receiving the financial assistance or insurance is subject to review under CEQA by another public agency.

This bill:

- 1) Allows actions taken by local agencies related to contracting for services for people experiencing homelessness to be exempt from the California Environmental Quality Act (CEQA).

- 2) Defines “services” as including but not limited to case management, resource navigation, security services, residential services, and counseling services.

COMMENTS:

- 1) *Author’s statement.* “Between 2010 and 2023, the number of Californians who are unhoused increased by approximately 47 percent. Between 2022 and 2023 alone, the number of people who were unhoused in San Diego County increased by 10,264, a 14 percent increase. Over the past seven years, the Legislature has enacted unprecedented reforms to address the root cause of rising homelessness in the state: housing underproduction. Nevertheless, experts estimate it will take years for local governments and housing developers to fully implement these laws and even more time for California’s communities to achieve their housing production targets. In this interim, barriers must be cleared to ensure local governments can provide humanitarian support to people who are unhoused. SB 1361 will provide a CEQA exemption to actions local governments take to execute contracts for homelessness services. This will close a potential opportunity for frivolous lawsuits intended to hinder local homelessness aid efforts across California.”
- 2) *CEQA Generally.* CEQA was enacted by the Legislature and signed into law by Governor Ronald Reagan in 1970. While it has evolved into a very complex Act over the past 53 years, at its core the basic principles of CEQA are relatively simple. It 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 a self-executing statute that is enforced by civil lawsuits that can challenge any project’s environmental review. Public agencies, as well as private individuals and organizations, can file lawsuits under CEQA.
- 3) *CEQA & Local Actions.* Housing and shelter projects continue to face significant local opposition, and threats of a lawsuit can raise costs, significantly delay for, or even stop solutions to provide shelter and permanent housing solutions for people experiencing homelessness. Absent an exemption, local governments spend considerable staff time and resources preparing CEQA-related documents when seeking approval from city councils and boards of supervisors to enter into contracts to provide services for housing projects for people experiencing homelessness.

The time taken to prepare these documents can also delay local ability to approve funding and enter into services contracts quickly, which is often needed in cases where local funds are being combined with state funding sources and have to meet a myriad of regulatory requirements.

- 4) *Only Affect A Contracting Decision.* Under the exemption proposed by this bill, actions taken by a local agency to approve a contract for providing services for people experiencing homelessness would be exempt from CEQA. This bill would not create a project-level CEQA exemption. The committee is aware of other enacted legislation that have provided similar CEQA exemptions for local governments. For example, SB 406 (Cortese, Chapter 150, Statutes of 2023) allowed local agencies to utilize a particular CEQA exemption limited to actions taken to provide financial assistance or insurance to develop and build housing for people with low- or moderate-incomes. AB 785 (Santiago, Chapter 726, Statutes of 2023) exempted several actions from CEQA related to homelessness projects in the City and County of Los Angeles. SB 850 (Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2018) exempted from CEQA actions taken by a state agency or local government to provide financial assistance to an affordable housing development that receives SB 35 streamlined approval. AB 1197 (Santiago, Chapter 340, Statutes of 2019) exempted from CEQA any action taken by an eligible public agency in providing financial assistance to provide emergency shelters or supportive housing in the City of Los Angeles. SB 679 (Kamlager, Chapter 661, Statutes of 2022) exempted from CEQA any action taken by the Los Angeles County Affordable Housing Solutions Agency to finance, fund, or issue grants, loans, or bonds.
- 5) *Double referral.* This bill was heard in the Senate Environmental Quality Committee on April 3, 2024 and passed on a vote of 7-0.

RELATED LEGISLATION:

SB 1395 (Becker, 2024) — makes several changes related to homelessness housing options: (1) Extends the sunset on authorized emergency housing under the Shelter Crisis Act (SCA) to January 1, 2036; (2) allows actions related to contracting for services for a homeless shelter under the SCA to be exempt from the California Environmental Quality Act (CEQA); (3) Eliminates the sunset for by right approval of low barrier navigation centers, and exempts from CEQA certain actions by local agencies related to low barrier navigation centers; and (4) clarifies that state programs that are subject to housing first includes programs that fund emergency shelters and interim housing. *This bill is pending in the Environmental Quality Committee.*

SB 406 (Cortese, Chapter 150, Statutes of 2023) — allowed local agencies to utilize a particular California Environmental Quality Act (CEQA) exemption limited to actions taken to provide financial assistance or insurance to develop and build housing for people with low- or moderate-incomes.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 10, 2024.)

SUPPORT:

City of San Diego (Sponsor)
California Apartment Association
LeadingAge California
League of California Cities
PATH (People Assisting the Homeless)
Steinberg Institute

OPPOSITION:

None received.

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