
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1007 (Blanca Rubio) - Land use: development project review

Version: March 24, 2025

Urgency: No

Hearing Date: July 14, 2025

Policy Vote: L. GOV. 7 - 0

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 1007 would accelerate the timeframes by which a public agency acting as a responsible agency must approve or disapprove certain residential and mixed-use development projects under the Permit Streamlining Act.

Fiscal Impact:

- The Coastal Commission estimates that it would incur costs of approximately \$1.7 million annually for 8.0 PY of staff to implement an expedited agency workflow focused on meeting the proposed 45-day deadline to process and hear coastal development permits for qualifying housing development projects. Staff notes that, even with the additional resources, the Commission may be unable to meet the 45-day permit action deadline in certain circumstances, which may result in some projects that have adverse impacts on coastal resources being “deemed approved.” See Staff Comments. (General Fund)
- Unknown local costs for cities and counties to comply with accelerated project approval deadlines. These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates, including expediting permitting requirements. (local funds)

Background: The Planning and Zoning Law requires every county and city to adopt a general plan that sets out the intensity (density) and location for planned uses in the area covered by the plan. Local zoning laws and building codes specify where housing may be built, as well as its density, quality, and style. Housing developers must obtain building permits from city and county planning departments and typically must gain approval from local planning commissions and city councils or county boards of supervisors.

The 1977 Permit Streamlining Act requires public agencies to act fairly and promptly on applications for development permits. Public agencies generally have 30 days to determine whether applications for development projects are complete and accepted for filing. Once a complete application has been submitted, the Act requires public officials to act within a specific time period after completing any environmental review documents required under the California Environmental Quality Act (CEQA), ranging from 60 to 180 days depending on the project and environmental review required. If the public agency fails to approve or disapprove an application within the applicable time period, the application is “deemed approved.”

The Permit Streamlining Act also sets deadlines for *responsible agencies* that are not the lead agency under CEQA, but have a role in approving a permit or other authorization for some aspect of the proposed project. Responsible agencies rely on the lead agency's CEQA documentation to issue permits and make decisions. The Permit Streamlining Act requires responsible agencies to approve or disapprove a development project within 180 days of the date that either the lead agency approved the project or deemed the application complete, whichever is longer. For qualifying residential or primarily residential mixed-use projects, responsible agencies must approve or disapprove the project within 90 days. If the public agency fails to approve or disapprove the application in the relevant time period, the application is deemed approved and the applicant may sue to order the local government to issue the permit.

Existing law, the Coastal Act, calls for the protection and enhancement of public access and recreation, marine resources, environmentally sensitive habitat areas, marine water quality, agriculture, and scenic resources, and makes provisions for coastal-dependent industrial and energy development. New development in the coastal zone requires a coastal development permit either from a local government or the Coastal Commission. Local governments are required to prepare a local coastal plan (LCP) for the coastal zone portion of their jurisdiction. After an LCP has been reviewed and approved by the Coastal Commission as being consistent with the Coastal Act, the Commission's regulatory authority over most types of new development is delegated to the local government, subject to limited appeals to the Commission. As noted above, any permits for new development in these jurisdictions requires approval by the Coastal Commission. Until recently, however, the Commission was exempt from the accelerated timeframes specified in the Permit Streamlining Act, for approving or disapproving a development project. Specifically, AB 130 (Budget Committee), Chap. 22/2025, a housing trailer bill enacted as part of the 2025-26 Budget, deleted the explicit exemption for the Coastal Commission.

Proposed Law: AB 1007 would expedite the Permit Streamlining Act deadlines for a public agency acting as a responsible agency to approve or disapprove certain types of development projects. Specifically, this bill would require a responsible agency to approve or disapprove an application for a residential or mixed-use development within 45 days (rather than 90 days) of the date that either the lead agency approved the project or the responsible agency received and accepted the application as complete, whichever is longer.

Related Legislation: AB 130 (Budget Committee), Chap. 22/2025, a recently enacted housing budget trailer bill, includes a provision that deletes an explicit exemption for the Coastal Commission, when acting as a responsible agency, to comply with the accelerated deadlines for approving or disapproving certain residential and mixed-use development projects within 90 days under the Permit Streamlining Act.

Staff Comments: As noted above, AB 130, which was just chaptered on June 30, 2025, amended the Permit Streamlining Act to delete a provision exempting the Coastal Commission from requirements to expedite approval or disapproval of housing development projects, which currently requires the Commission, when acting as a responsible agency, to act on an application within 90 days. This bill would further accelerate that timeline by requiring the Coastal Commission to approve or disapprove certain housing development projects within 45 days. To implement the bill, the

Commission indicates that it would establish a unit of eight personnel, at an annual cost of approximately \$1.7 million, to create a separate expedited agency workflow to hear and process coastal development permits within the 45-day time period. Even with additional resources, the Commission indicates that the bill's accelerated timelines for development project approvals would hinder its ability to properly review, analyze, revise, and agendize residential projects in the coastal zone for which the Commission is the responsible agency. In those jurisdictional segments of the coastal zone that are not covered by an approved LCP, the Commission must analyze a project for Coastal Act consistency, including public access, public viewsheds, sea level rise, and sensitive habitats. Although many projects are non-controversial and have minimal impacts, some are exceedingly complex and require extensive analysis and revisions to a project's scope. In some cases, the accelerated timelines in this bill would result in development in the coastal zone being "deemed approved" by operation of the law, despite potentially significant adverse impacts to sensitive coastal resources, public coastal access, and sea level rise efforts.

Staff notes that there could be other potential state costs to the extent that other state entities would meet the definition of a public agency acting as a responsible agency, including potentially the State Water Board for water quality and wastewater discharge permits, and the Department of Toxic Substances Control for hazardous material mitigation permits. Any additional specific state-level costs have not been identified to date.

This bill would impose new costs on cities and counties by requiring public agencies to approve or disapprove development projects under accelerated timelines. Staff notes, however, that any local costs mandated by this bill would not be subject to state reimbursement because local agencies have the authority to charge and adjust planning and permitting fees as necessary to cover administrative costs. Existing law authorizes planning and zoning fees to "include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations." Case law and previous decisions by the Commission on State Mandates support the position that local governments' planning costs are not reimbursable when the state imposes new planning mandates.

Recommended Amendments: Staff notes that AB 130 (Budget Committee), Chap. 22/2025, was recently enacted as a Housing budget trailer bill, and included a provision that amended Government Code 65952, which this bill would also amend. This bill should be amended to avoid chaptering out the changes enacted by AB 130. Specifically, this bill would currently re-enact the Coastal Commission exemption from the accelerated timelines specified in the Permit Streamlining Act.

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