
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1276 (Carrillo) - Housing developments: ordinances, policies, and standards

Version: July 14, 2025

Urgency: No

Hearing Date: August 25, 2025

Policy Vote: HOUSING 11-0, L. GOV. 7-0

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 1276 would extend the “vesting” rights that apply to local agency reviews of housing developments under the Housing Crisis Act (HCA) to also apply to the rules, regulations, and requirements imposed by other public agencies. The bill would also extend the “reasonable person” standard, as specified, to public agency determinations of whether a housing development project is consistent, compliant, and in conformity with applicable plans, policies, and ordinances for purposes of the Permit Streamlining Act (PSA).

Fiscal Impact:

- HCD estimates that any costs for a minor increase in technical assistance provided to local agencies and enforcement of violations would be minor and absorbable. (General Fund)
- Unknown potential court cost pressures for new workload to adjudicate additional cases that may be filed by developers to compel public agencies to approve applications under a reasonable person standard. The number of cases that would be filed statewide as a result of the bill are unknown. Staff notes that it generally costs about \$10,500 to operate a courtroom for one eight-hour day. Although courts are not funded on the basis of workload, increased staff time and resources may create a need for additional support from the General Fund to support court operations. The 2025-26 Budget includes \$38 million in ongoing support from the General Fund to backfill the current fund imbalance in the Trial Court Trust Fund and help pay for court operations, (Trial Court Trust Fund, General Fund).
- Unknown, potentially significant costs in the aggregate, for state entities’ legal costs, to the extent the bill results in additional litigation by developers to compel public agency approval of permit applications under a reasonable person standard. State entities subject to the bill include the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, and the State Water Board, among others. (General Fund, various special funds)
- Any local costs resulting from this bill are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to offset any increased local costs associated with the bill. (local funds)

Background: Existing law, the Housing Crisis Act of 2019 (SB 330, Skinner), amended the established process through which developers seeking to build housing could “vest” their projects. Specifically, a project applicant who files a preliminary application to build housing has 180 days to file a complete application. If the developer meets the

deadline, the housing development gains vested rights to proceed under the rules in effect when the preliminary application was submitted. These rights include the vesting of objective standards such as general plans, zoning ordinances, design review standards, subdivision standards, and any other rules, regulations, requirements, and policies of a local agency, including development impact fees, permit fees, and others. There are exceptions for cases of health and safety concerns or to mitigate significant California Environmental Quality Act impacts. Vesting rights under SB 330 apply to only project reviews by local agencies; reviews by state and regional agencies remain subject to any ongoing regulatory changes.

Under the Housing Accountability Act (HAA), regulatory agencies review housing projects for consistency with governmental agencies' adopted plans, such as general plans and zoning codes. Under the HAA, a "reasonable person" standard is applied to local agencies' determinations. The reasonable person standard prohibits a local agency from denying or conditioning a housing project based on subjective interpretations of local regulations. If substantial evidence exists such that a reasonable person could determine a project is consistent with applicable plans or zoning, it must be deemed consistent as a matter of law, regardless of a local agency's decision. If a local agency reaches a different conclusion than a reasonable person would, based on the evidence, its decision may be overturned in court. Courts are not required to defer to the agency's interpretation and can compel project approval if the evidence supports consistency.

Existing law, the Permit Streamlining Act (PSA), requires state and local public agencies to act fairly and promptly on applications for development permits. Public agencies must compile lists of information that applicants must provide and explain the criteria they will use to review permit applications. Public agencies generally have 30 days to determine whether applications for development projects are complete and accepted for filing; failure to act results in an application being "deemed complete." 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, ranging from 60 to 180 days depending on the project and environmental review required. If the local agency fails to approve or disapprove the applications within the specified timeframes, the application is "deemed approved," and the applicant may file suit in state court to compel the local agency to issue a permit.

Proposed Law: AB 1276 would expand the list of "ordinances, policies, and standards" that are vested with a housing development under the HCA once a developer timely submits a complete application to include:

- Post-entitlement permit standards, as specified.
- Materials requirements included within subdivision standards and criteria.
- Any rules, regulations, determinations, and other requirements adopted or implemented by public agencies.

The bill would also specify, for purposes of the PSA, that a housing development project or emergency shelter is deemed consistent, compliant, and in conformity with an applicable plans or requirements adopted or implemented by a public agency, if there is substantial evidence that would allow a reasonable person to reach that conclusion, as specified. This expansion of the reasonable person standard would not apply to any

portion of a housing development project that is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, as specified.

Related Legislation: SB 330 (Skinner), Chap. 654/2019, enacted the HCA, including provisions that established a process that allows a developer to gain vested rights to proceed under the rules in effect when a preliminary application for a housing development was submitted.

AB 1515 (Daly), Chap. 368/2017, established the reasonable person standard under the HAA for determining whether a proposed project is consistent with a local agency's adopted plans and zoning, as specified.

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