

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1997 (Lee) – As Amended April 27, 2026

Policy Committee:	Local Government	Vote:	8 - 0
	Housing and Community Development		11 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill requires a lead agency for a development project to approve or disapprove a housing development project where 90% of the units are affordable to very low- or extremely low-income households within 30 days of certifying an environmental impact report (EIR), and requires the Department of Housing and Community Development (HCD) to establish a working group to develop and provide recommendations on the most effective ways to expedite the development of housing.

Specifically, this bill:

- 1) Requires a lead agency for a development project to approve or disapprove the project within 30 days from the date of certification by the lead agency of the EIR for a housing development project where the following conditions are met:
 - a) At least 90% of the units in the development project are affordable to very low or extremely low-income households, as specified.
 - b) Prior to the application being deemed complete, the lead agency received written notice from the project applicant that an application has been made or will be made for an allocation or commitment of financing, tax credits, bond authority, or other financial assistance from a public agency or federal agency.
 - c) There is prior confirmation that the application has been made to the public agency or federal agency prior to certification of the EIR.
- 2) Requires HCD, in consultation with the Governor’s Office of Land Use and Climate Innovation (LCI), to establish a working group for purposes of exploring, considering, and recommending guidance to local jurisdictions on the most effective ways to expedite the development of housing.
- 3) Requires HCD to ensure the working group includes an equal number of local government representatives, housing developers, and housing advocates.

FISCAL EFFECT:

- 1) HCD estimates ongoing General Fund costs of \$236,000 annually for an additional position to establish the working group and provide recommendations on ways to expedite housing development.

- 2) Local costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author. "This bill will expedite home construction by reducing the approval time for housing applications. By reducing approval timeframes after environmental reviews have been completed, projects will move into construction faster."
- 2) **Background.** The California Environmental Quality Act (CEQA) requires a lead agency to prepare and certify the completion of an EIR on a project that the lead agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if the lead agency finds that the project will not have that effect. Existing law, the Permit Streamlining Act sets forth various procedures for the review and approval of development project applications. Among other things, the act requires a public agency that is the lead agency for a development project to approve or disapprove the project within a specified period of time, which varies depending on the project's phase in the CEQA process.

This bill requires a lead agency to approve or disapprove a housing development project within 30 days of certifying an EIR if the housing development project meets certain conditions. The bill also requires HCD to form a working group of local governments, housing advocates, and housing developers to make recommendations on ways to expedite housing development. These recommendations may include changes to state law.

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