

- i) At least 49% of the units are affordable to very low or low-income households, as specified. Rents for the lower income units shall be set at an affordable rent, as specified, for at least 30 years. Owner-occupied units shall be available at an affordable housing cost, as specified.
- ii) Prior to the application being deemed complete for the development project, 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. The notice must also specify the financial assistance that has been or will be applied for, the deadline for application for that assistance, the requirement that one of the approvals of the development project by the lead agency is a prerequisite to the application for or approval of the application for financial assistance, and that the financial assistance is necessary for the project to be at an affordable rent for a minimum of 30 years for rental units and at an affordable cost for an owner occupant.
- iii) There is prior confirmation that the application has been made to the public agency or federal agency prior to certification of the EIR.
- d) 60 days from the date of adoption by the lead agency of a negative declaration.
- e) 60 days from the date a lead agency determines that the project is exempt from CEQA.
- f) Except for affordable and mixed income housing developments in a commercial corridor, 60 days from the date of receipt of a complete application if the project is subject to ministerial review by the public agency.
- g) Within 30 days of specified timelines if a housing development project is exempt from CEQA.

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.

Background

The PSA. The PSA requires public agencies to act fairly and promptly on applications for development proposals, including housing developments. Under the PSA, public agencies have 30 days to determine whether applications for development projects are complete and request additional information; failure to act results in an application being “deemed complete.” The PSA applies to the discretionary approval phase of a development review process; this is the phase where the agency, in its discretion, decides whether it approves of the concept outlined in the development proposal.

Comments

- 1) *Author’s Statement.* “AB 1997 reduces from 60 days down to 30 days the period of time a lead agency has to approve or deny an affordable housing project’s environmental impact report (EIR) after the lead agency certifies the EIR. This faster timeline only applies to projects that are 90% affordable to very-low or extremely-low income households, and requires the project applicant to have provided written notice to the agency specifics about the project’s financing. This narrow and very focused streamlining will move 90% affordable housing projects faster.”
- 2) *CEQA Review.* CEQA provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. If a project is not exempt from CEQA, the lead agency prepares an initial study to determine whether the project may have a significant effect on the environment. If the initial study shows the project would not have a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that project may have a significant effect, the lead agency must prepare an environmental impact report (EIR).

Generally, an EIR must accurately describe the proposed project, identify and analyze each significant environmental impact expected to result from the proposed project, identify mitigation measures to reduce those impacts to the extent feasible, and evaluate a range of reasonable alternatives to the proposed

project. Prior to approving any project that has received environmental review, the lead agency must make certain findings. If mitigation measures are required or incorporated into a project, the lead agency must adopt a reporting or monitoring program to ensure compliance with those measures.

- 3) *PSA post-CEQA timelines.* The (PSA) requires public agencies to act fairly and promptly on applications for development permits, including housing. Public agencies must compile detailed lists of information that applicants for development projects must provide and explain the criteria they will use to review permit applications. Public agencies have 30 days to determine whether applications for development projects are complete; failure to act results in an application being "deemed complete."

Once a complete application for a development has been submitted, the PSA requires public officials to act within a specific time period after completing any environmental review documents required under CEQA ranging from 60 to 180 days depending on the project and the environmental review required. If the public agency fails to approve or disapprove the application in the applicable time period, the application is "deemed approved," and the applicant may file suit in state court to order the local government to issue the relevant permit.

The PSA specifies that lead agencies must either approve or deny a housing development project within 90 days of certifying an EIR. For housing development projects where at least 49% of the units in the project are affordable to very low or low-income households, the lead agency must approve or deny the project within 60 days of certification of the EIR.

This bill requires lead agencies to approve or deny housing development projects within 30 days of certifying an EIR if the housing development project meets the following:

- a) 90% of the units are affordable to very low- or extremely low-income households; and,
- b) The lead agency received written notice that the applicant is seeking state or federal financial assistance, as specified.

Related/Prior Legislation

AB 1007 (Rubio, Chapter 502, Statutes of 2025) — shortened the period of time a responsible agency has to approve or disapprove for residential or mixed-use residential projects.

AB 130 (Committee on Budget, Chapter 22, Statutes of 2025) — expanded the application of PSA timelines to certain ministerial approvals for housing development projects.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, June 24th, 2026.)

SUPPORT:

Aids Healthcare Foundation

OPPOSITION:

City of La Verne

-- END --