SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

Bill No:	SB 1014	**Hearing Date:**	4/15/26
Author:	Grayson	**Fiscal:**	Yes
Version:	4/8/26	**Consultant:**	Peterson

DEVELOPMENT PROJECTS: PRELIMINARY ESTIMATE OF REQUIRED IMPROVEMENTS: ONSITE AND OFFSITE IMPROVEMENTS

Allows development proponents to request and receive additional information on offsite and onsite improvements at the preliminary application phase, and when processing post-entitlement permits.

Background

Planning and approving new housing is mainly a local responsibility. The California Constitution allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory "elements," including a housing element that establishes the locations and densities of housing, among other requirements. Cities' and counties' major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

Local governments use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations.

Local governments have broad authority to define the specific approval processes needed to satisfy these considerations. Some housing projects can be permitted by city or county planning staff "ministerially," or without further approval from elected officials, but most large housing projects require "discretionary" approvals from local governments, such as a conditional use permit or a change in zoning laws. This process requires hearings by the local planning commission and public notice and may require additional approvals.

An applicant that files a preliminary application to build housing, with specified project information, has 180 days to file a "complete application." If the developer files a complete application in time, the housing development gains vested rights to proceed under the rules that

were in effect when the preliminary application was submitted. These rights include the vesting of objective standards such as general plans, community plans, specific plans, zoning ordinances, design review standards, subdivision standards, and any other rules, regulations, requirements, and policies of a city or county. However, cities or counties can apply new regulations to mitigate a significant, adverse impact on health or safety, and to mitigate a project's impacts pursuant to the California Environmental Quality Act.

As the development project moves forward, a builder may need a range of administrative permits from the local agency in order to actually complete the work to construct or modify a building. These permits can include building permits and other permits for: demolition; grading; excavation; electrical, plumbing, or mechanical work; encroachment in the public right-of-way; roofing; water and sewer connections or septic systems; fire sprinklers; and home occupations. Permits needed to construct housing that has already received approval from a planning department are known as "post-entitlement permits."

Developer requirements. Local agencies can require a developer to pay for the infrastructure needed to support a project and a project's impacts on the community in a variety of ways. When approving development projects, counties and cities can require the applicants to mitigate the project's effects by paying fees—known as mitigation fees, impact fees, or developer fees. The California courts have upheld impact fees for sidewalks, parks, school construction, and many other public purposes. The local agency can use these fees to construct improvements necessary to serve the project. Alternatively, local agencies can require developers to complete onsite or offsite improvements to support the public service needs of the development. Improvements can be necessary to ensure that projects are consistent with the general plan and can receive the public services necessary for residents to live in the housing development.

While improvements can be necessary to ensure that a development complies with local and state planning requirements, those improvements can affect the feasibility of a development project by imposing costs and lengthening the time necessary for the developer to complete the project.

To ensure developers have more information regarding what improvements are necessary to complete a project, housing developers want to require local agencies to provide an estimate of what improvements are necessary earlier on in the project.

Proposed Law

Senate Bill 1014 allows development proponents to request and receive additional information on offsite and onsite improvements at the preliminary application phase and when applying for post-entitlement permits.

Preliminary application phase. SB 1014 allows a development proponent that submits a preliminary application, or an application for a housing development project with all the necessary information to process the development application, to request a preliminary estimate of improvement requirements, which a city or county must provide within 30 business days of the request.

The preliminary estimate must contain both a list of the types of onsite and offsite improvements the local agency may require and, for improvements the city or county would complete, a good faith estimate of the costs of those improvements if constructed or installed at the time the local agency provides the estimate. However, the preliminary estimate does not have to include (1)

improvements that another public agency or utility other than the city or county requires, or (2) improvements to comply with the California Environmental Quality Act (CEQA).

For improvements another public agency or utility other than the city or county requires, the development proponent may request a list of those improvements, which the public agency or utility must provide within 30 business days.

The measure provides that it does not create or affect any rights or obligations with respect to onsite or offsite improvements, except the right to receive an estimate. The estimates are for informational purposes only, not legally binding, and do not affect the scope, extent, or cost of any onsite or offsite improvements required.

Post-entitlement permit phase. SB 1014 requires, within 30 business days of an application for a post-entitlement phase permit, the city or county to provide the applicant with an itemized list of all onsite and offsite improvements required for that permit. The city or county must not require any onsite or offsite improvements prior to issuing that permit that it did not include in the list, or unless the city or county finds, based upon substantial evidence, that the improvement is necessary to mitigate or avoid a specific, adverse impact upon public health or safety.

SB 1014 also defines its terms.

Comments

1. Purpose of the bill. According to the author, "California has a massive and growing housing production and affordability crisis. Driving this affordability issue is the exponential rising costs of building new housing. Development fees and other construction requirements can make up a significant portion of building costs and are much higher in California compared to the rest of the nation. Despite the significant reforms intended to improve fee transparency, builders continue to struggle to anticipate certain development costs, such as those for on-site and off-site improvements. Builders may find out about on-site and off-site improvements late in the process, adding unforeseen development costs and making projects less likely to pencil out. SB 1014 will help provide greater certainty for housing developments by requiring local jurisdictions, within 30 days of submission of a preliminary application, provide a good-faith estimate and list of any on-site or off-site improvements. Additionally, the bill would also prevent a local jurisdiction from requiring any additional on-site or offsite improvements that are not disclosed within 30 days of submitting a building permit application. This bill will help enhance transparency and will provide greater certainty in the housing development process."

2. No free lunch. SB 1014 imposes new requirements on local agencies that require improvements without any additional resources to help them comply with new requirements. Absent additional resources, local agencies may have to increase fees to satisfy new requirements. So, while the improvements required may be more readily known to developers, fees could end up higher than they would be absent the bill, which could inadvertently increase the costs of housing production.

3. What about us? SB 1014 prohibits local agencies from requiring any onsite or offsite improvements unless they were included on the list the local agency sent the developer, unless the improvements are necessary for public health or safety. However, there are other reasons that a local agency would need to make changes to the list:

- Another public agency or utility other than the city or county requires the improvement;
- The developer changes or requests to change the construction the post-entitlement permit permitted, and the requested onsite or offsite improvement is reasonably related to the expanded scope of the construction or other work permitted; or
- The post-entitlement permit is subject to CEQA and the improvements mitigate potentially significant environmental effects.

The Committee may wish to consider amending the bill to allow local agencies to require improvements not listed for these reasons.

4. Let's be clear. Committee staff recommend the following clarifying amendments:

- The definition of improvements lists out the improvements the measure applies to, but also includes the verbiage "including, but not limited to…" This could lead to different interpretations over what improvements are subject to SB 1014's requirements, which could cause litigation. To avoid potential confusion over what improvements are subject to SB 1014's requirements, the Committee may wish to consider amending the bill to remove that verbiage; and
- After the developer submits its preliminary application, the local agency must provide a list of the improvements and a good faith estimate of their costs. Since the local agency has not completed all the necessary studies for the project when it prepares the list of improvements, that list is preliminary. To avoid potential confusion over the preliminary nature of the list of improvements, the Committee may wish to consider amending the bill to clarify that the local agency must make a *good faith estimate* of the types of improvements that may prove necessary.

5. Charter city. The California Constitution allows cities that adopt charters to control their own "municipal affairs." In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn't define "municipal affairs," the courts determine whether a topic is a municipal affair or whether it's an issue of statewide concern. SB 1014 says that it applies to all cities, including charter cities. To support this assertion, the bill includes a legislative finding and declaration that increasing housing production is a matter of statewide concern because one of the impediments to housing production is a lack of predictability and transparency when assessing impact fees.

6. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because SB 1014 adds to the duties of local officials when processing development applications and permits, Legislative Counsel says the bill imposes a new state mandate. SB 1014 disclaims the state's responsibility for providing reimbursement by citing local governments' authority to charge for the costs of implementing the bill's provisions.

7. Coming and going. The Senate Rules Committee has ordered a double referral of SB 1014: first to the Committee on Local Government to hear issues related to land use, and second to the Committee on Housing.

Support and Opposition (4/10/2026)

Support: California Yimby (Co-Sponsor)
Spur (Co-Sponsor)
California Council for Affordable Housing
Circulate Planning & Policy
Construction Employers' Association
Fieldstead and Company, INC.
Habitat for Humanity California
Housing California
Leadingage California
Resources for Community Development
Supportive Housing Alliance
Zillow Group

Opposition: City of LA Verne
City of San Mateo

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