
SENATE COMMITTEE ON HOUSING
Senator Jesse Arreguín, Chair
2025 - 2026 Regular

Bill No:	SB 1014	Hearing Date:	04/21/2026
Author:	Grayson		
Version:	4/08/2026 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Hank Brady		

SUBJECT: Development projects: onsite and offsite improvements.

DIGEST: This bill requires cities and counties to provide housing development proponents with an estimate of onsite or offsite improvements that may be required in connection with a proposed housing development project.

ANALYSIS:

Existing law:

- 1) Establishes a process for a housing development project applicant to file a preliminary application for a housing development project and establishes that a housing development project that has submitted a preliminary application must be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was deemed to be complete.
- 2) Authorizes an applicant who submits a preliminary application to include a request for a preliminary fee and exaction estimate, which the city or county must provide within 30 business days of the submission of the preliminary application.
- 3) Provides that the fee and exaction estimate is for informational purposes and shall not be legally binding or otherwise affect the scope, amount, or time of payment of any fee or exaction that is otherwise determined by other provisions of law.
- 4) Provides that for development fees imposed by a local agency that is not a city or county, including fees levied by a school district or a special district, the applicant must request the fee schedule from the local agency and that local agency must provide the fee schedule without delay.

- 5) Requires, upon approval of a housing development project, a city or county to provide the applicant with an itemized list and a good faith estimate of the total sum amount of all fees and exactions that will apply to the project within 30 business days.
- 6) Requires local agencies to exhaustively list all information needed to make a development application complete under the Permit Streamlining Act, limits that list to only those items on the checklist for application required by state law, and prohibits the local agency from requiring additional information. The checklist information must also be posted online.
- 7) Defines “postentitlement phase permit” (PEPP) as follows:
 - a) All nondiscretionary permits required by a local agency after the entitlement process to begin construction of a development that is intended to be at least two-thirds residential, excluding specified planning permits, entitlements, and other permits. These permits include, but are not limited to, all of the following:
 - i) Building permits, and all inter-departmental review required for the issuance of a building permit.
 - ii) Permits for minor or standard off-site improvements.
 - iii) Permits for demolition.
 - iv) Permits for minor or standard excavation and grading.
- 8) Requires a local agency or a state agency to compile one or more lists of information that will be required from any applicant for a PEPP and specifies a process for approving PEPPs.

This bill:

- 1) Requires cities and counties to provide a housing development project applicant that submits a complete preliminary application, or a complete development application, as specified, with a “preliminary estimate of improvement requirements” the city or county may require within 30 business days.
- 2) Establishes the following as standards and requirements for preliminary estimate of improvement requirements:
 - a) Requires the preliminary estimate of improvements to include the following:

- i) A list of the types of onsite or offsite improvements that may be required in connection with the housing development project.
 - ii) For any identified onsite or offsite improvements that will be constructed or installed by the city or county, a good faith estimate of the cost of those improvements.
 - b) Provides that the preliminary estimate of improvement requirements is not required to include the following:
 - i) Onsite or offsite improvements required by a public agency or utility other than the city or county.
 - ii) Onsite or offsite improvements imposed on a housing development project to comply with the California Environmental Quality Act (CEQA).
 - c) Provides that for improvements required by a public agency or utility other than a city or county, an applicant may request a list of any onsite or offsite improvements that may be required in connection with the project, and the public agency or utility shall provide this information within 30 business days.
 - d) Specifies that except for the obligation to provide the “preliminary estimate of improvement requirements” nothing related to the provision of the estimate creates or affects any rights or obligations with respect to onsite or offsite improvements.
 - e) Provides that “preliminary estimate of improvement requirements” is for informational purposes only and does not legally bind or otherwise affect the scope, extent, or cost of any improvements that are required or imposed by other provisions of law.
- 3) Requires a city or county to provide an applicant with an itemized list of all onsite and offsite improvements that will be required prior to issuance of, or otherwise in connection with that permit, within 30 days of receiving an application for a PEPP.
- 4) Prohibits a city or county from requiring onsite or offsite improvements prior to issuance of a PEPP if the improvement was not included in the list of improvements provided per 3) above, unless the city or county finds, based upon substantial evidence, that the onsite or offsite improvement is necessary to mitigate or avoid a specific adverse impact upon public health or safety, as defined.

- 5) Specifies that “improvements” include but are not limited to: any facilities or infrastructure for the delivery of public services such as education, police, fire protection, parks, recreation, emergency medical, public health, libraries, flood protection, streets or highways, public transit, railroad, airports and seaports, utility, common carrier, or other similar projects such as energy-related, communication-related, water-related, or wastewater-related facilities or infrastructure.

Background

The Subdivision Map Act (or Map Act) governs how local officials regulate the division of real property into smaller parcels for sale, lease, or financing. Cities and counties adopt local subdivision ordinances to carry out the Map Act and local requirements. City councils and county boards of supervisors use the Map Act to control a subdivision's design and improvements. Local subdivision approvals must be consistent with city and county general plans.

Under the Subdivision Map Act, cities and counties can attach scores of conditions. The Map Act allows local officials to require, as a condition of approving a proposed subdivision, the dedication of property within a subdivision for streets, alleys, drainage, utility easements, and other public easements and improvements. Once subdividers comply with those conditions, local officials must issue final maps. For smaller subdivisions that create four or fewer parcels, local officials usually use parcel maps, but they can require tentative parcel maps followed by final parcel maps. The Map Act also constrains the dedications and improvements that local cities and counties can require as a condition of a subdivision of four or fewer lots to only the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created.

Housing Crisis Act of 2019. To address concerns that cities and counties were taking actions that could undermine housing development, the Legislature enacted SB 330 (Skinner, 2019), the Housing Crisis Act of 2019 (HCA). Among other provisions, the HCA prohibits a local agency from applying new rules or standards to a project after a “preliminary application” containing specified information is submitted.

The Permit Streamlining Act (PSA). The PSA requires public agencies (both state and local 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.

Postentitlement approvals. A development proposal that is approved and entitled is still required to obtain approval for a range of non-discretionary permits. This includes building permits and other permits related to the physical construction of the development proposal. The timelines established in the PSA do not apply to these non-discretionary permits. The postentitlement phase of the review process typically involves the review of permits that are objective in nature. Generally, once an agency invests the time and effort to approve and entitle a development proposal, there is an incentive for the agency to process the PEPP in a timely fashion.

In order to expedite this stage of the development approval process, AB 2234 (Robert Rivas, Chapter 651, Statutes of 2022), required local agencies (but not public agencies) to process PEPPs within 30 days for small housing development projects and 60 days for large housing development projects. AB 301 (Schiavo, Chapter 488, Statutes of 2025) expanded these requirements to apply to state agencies.

Comments

- 1) *Author’s Statement.* “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) *Preliminary Applications.* The HCA, among other provisions, creates more certainty for housing development applicants through a preliminary application and project “vesting” process. SB 330 allows developers to submit a complete preliminary application to a local government and pay a permit processing fee, which locks in the ordinances, policies, and standards in effect at the time of submission. This means that any changes to zoning, development standards, fees, or exactions that occur after the complete preliminary application is submitted will not apply to that project, unless the fees, charges, or monetary exactions result from an automatic annual adjustment based on an independently published cost index referenced in the establishing ordinance. The preliminary application must include specific information, such as the number of units, density, and location of the proposed development.

Once a complete preliminary application is submitted, the project is considered “vested.” Through the “vesting” provisions established via the preliminary project application process, development applicants gain certainty about which fees, ordinances, policies, and standards will apply to their projects.

- 3) *Building on preliminary fee estimates.* AB 1820 (Schiavo, Chapter 358, Statutes of 2024), authorized development applicants that submit a preliminary application to include a request for a preliminary fee and exaction estimate from the city or county, and required the city or county to provide the estimate within 30 days. The law states that the fee and exaction estimate is informational only. This bill largely builds on this precedent by requiring cities and counties to provide developers a preliminary estimate of onsite and offsite improvements that may be required of the project by the city or county when the developer submits a completed preliminary application, or a completed final application. This bill additionally requires that within 30 business days of receiving an application for a PEPP, counties must provide applicants with an itemized list of all onsite and offsite improvements and prohibits the city or county from requiring improvements not included in that list unless the improvements are necessary to mitigate or avoid adverse impacts to public health or safety. In Senate Local Government Committee, the author agreed to expand the list of circumstances where a local government can impose an improvement requirement not identified in the list provided in connection with the PEPP application to include circumstances that are outside of the control of the city or county.
- 4) *Double referral.* This bill was also referred to the Local Government Committee, where it was approved on a 5-2 vote on April 15, 2026.

5) *Committee amendments.* There are several terms that are used interchangeably in the bill that should be clarified for consistency, and several cross references that require additional specificity. Additionally, the author agreed to amendments in Senate Local Government on 4/15/2026. Due to timing, amendments accepted in that committee could not be adopted in Local Government Committee. **The Committee may wish to consider the following Amendments:**

- a) **The bill uses the term “development proponent” and “applicant” interchangeably. The term “applicant” is used in statues related to PEPPs and preliminary applications. Replace “development proponent” with “applicant” throughout the bill.**
- b) **Clarify that the obligation to provide a list of onsite or offsite improvements in association with the receipt of a PEPP application begins within 30 days of receipt of a *Complete* PEPP application.**
- c) **The following amendments accepted by the author in Senate Local Government Committee.**
 - i) **Strike “including but not limited to” from the definition of improvements.**
 - ii) **Add the following exceptions to the list of circumstances that authorize a city to require an improvement not identified when they received a PEPP application to include the following:**
 - (1) **The developer changes or requests to change the construction or other work described in the application for the PEPP.**
 - (2) **If the PEPP is subject to CEQA, the city or county may require construction or installation of onsite or offsite improvements in order to mitigate potentially significant effects on the environment required by CEQA**
 - iii) **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, clarify that the local agency must make a good faith estimate of the types of improvements that may prove necessary.**

Related/Prior Legislation

AB 1820 (Schiavo, Chapter 358, Statutes of 2024) — authorized development applicants that submit a preliminary application to include a request for a preliminary fee and exaction estimate from the city or county, and required the city or county to provide the estimate within 30 days.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 15th, 2026.)

SUPPORT:

California YIMBY (Co-Sponsor)
SPUR (Co-Sponsor)
Construction Employers' Association
Holos Communities
Housing California
Leading age California
New Way Homes
Resources for Community Development
Supportive Housing Alliance

OPPOSITION:

City of LA Verne
City of San Mateo

-- END --