
THIRD READING

Bill No: SB 1014
Author: Grayson (D)
Amended: 4/23/26
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 4/15/26
AYES: Durazo, Arreguín, Ashby, Cervantes, Laird
NOES: Choi, Seyarto

SENATE HOUSING COMMITTEE: 8-2, 4/21/26
AYES: Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez, Grayson,
Padilla
NOES: Seyarto, Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Development projects: preliminary estimate of required
improvements: onsite and offsite improvements

SOURCE: California YIMBY
SPUR

DIGEST: This bill 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 (PEPP).

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 city or county must also post checklist information online.
- 7) 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 good faith estimate of the list of the types of onsite and offsite improvements that may be required in connection with the housing development project.
 - ii) For any identified onsite and 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 and offsite improvements required by a public agency or utility other than the city or county.
 - ii) Onsite and 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 and 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 and 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 deeming an application for a PEPP complete.

- 4) Prohibits a city or county from requiring onsite and offsite improvements prior to issuance of a PEPP if the improvement was not included in the list of improvements provided per 3) above, unless:
 - a) The city or county finds, based upon substantial evidence, that the onsite and offsite improvement is necessary to mitigate or avoid a specific adverse impact upon public health or safety, as defined.
 - b) The developer changes or requests to change the construction or other work permitted by the postentitlement phase permit from the description provided in the application and the requested onsite and offsite improvement is reasonably related to the expanded scope of the construction or other work permitted.
 - c) If the PEPP is subject to the California Environmental Quality Act, the city or county may require construction or installation of onsite and offsite improvements in order to mitigate potentially significant environmental effects pursuant to that act.
- 5) Specifies that “improvements” includes 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.

Post-entitlement 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 post-entitlement 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) *Purpose of this 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.

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

SUPPORT: (Verified 5/11/26)

California YIMBY (Co-Source)

SPUR (Co-Source)

Business for Good San Diego

California Council for Affordable Housing

Circulate Planning & Policy

Construction Employers' Association

East Bay for Everyone

Eden Housing
Fieldstead and Company, INC.
Habitat for Humanity California
Holos Communities
Housing California
Leadingage California
New Way Homes
Resources for Community Development
Supportive Housing Alliance
Zillow Group

OPPOSITION: (Verified 5/11/26)

City of Carlsbad
City of Foster City
City of La Verne
City of Rancho Cucamonga
City of Redwood City
City of San Mateo

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