

SENATE THIRD READING
SB 1014 (Grayson)
As Amended August 17, 2026
Majority vote

SUMMARY

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

Major Provisions

- 1) Defines, for purposes of the bill, the following terms:
 - a) "Housing development project" has the same definition as is used in the Housing Accountability Act and includes projects that involve no discretionary approval, discretionary and nondiscretionary approvals, single dwelling units, and applications for parcel maps or tentative and final maps pursuant to the Starter Home Revitalization Act.
 - b) "Improvement" includes any facilities or infrastructure for the delivery of public services such as 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.
 - c) "Postentitlement phase permit" has the same meaning as is used in existing law governing housing development approvals.
 - d) "Public agency" includes a special district and does not include a school district.
- 2) Requires a city, county, or city and county to provide a preliminary estimate of required improvements to an applicant of a housing development project within 30 business days of the request if the applicant submits a preliminary application or an application for a housing development project. The preliminary estimate of required improvements contains both of the following:
 - a) A good faith estimate of the list of the types of onsite or offsite improvements that may be required in connection with the housing development project.
 - b) For any improvements that will be constructed or installed by the city, county, or city and county, a good faith estimate of the cost of those improvements if constructed or installed at the time the estimate is provided.
- 3) Provides that the good faith estimate required in 2) shall not be required to include either of the following:
 - a) Onsite or offsite improvements required by a public agency or utility other than the city, county, or city and county.

- b) Onsite or offsite improvements imposed on a housing development project to comply with the California Environmental Quality Act (CEQA).
- 4) Allows an applicant of a housing development project, who has requested a preliminary estimate from a city, county, or city and county, to also request from a public utility, special district, or a public agency other than a city, county, or city and county a list of the types of any onsite or offsite improvement that may be required in connection to the housing development within 30 days of the request for a preliminary estimate. Requires a public utility, special district, or a public agency other than a city, county, or city and county to provide this information within 30 business days.
- 5) Provides that nothing within the bill creates or affects any right or obligations with respect to onsite or offsite improvements, except for the estimates required by 2) and 4).
- 6) Provides that the estimates in 2) and 4) shall be for information purposes only and shall not be legally binding or otherwise affect the scope, extent, or cost of any onsite or offsite improvements that are required or imposed pursuant to other provisions of existing law.
- 7) Requires the city, county, or city and county, within 30 business days of deeming an application for a PEPP complete, to provide the 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.
- 8) Prohibits a city, county, or city and county from requiring construction or installation of any onsite or offsite improvement prior to issuance of, or otherwise in connection with, a PEPP, unless that improvement was included in the itemized list of onsite and offsite improvements.
- 9) Allows a city, county, or city and county to require the construction or installation of onsite or offsite improvement not included on the itemized list of onsite and offsite improvements, under any of the following circumstances:
 - a) If the city, county, or city and county finds, based upon substantial evidence, that the onsite or offsite improvement is necessary to mitigate or avoid a specific, adverse impact upon the public health or safety.
 - b) The developer changes or requests to change the construction or other work permitted by the PEPP from the description provided in the application for the PEPP, and the requested onsite or offsite improvement is reasonably related to the expanded scope of the construction or other work permitted.
 - c) If the PEPP is a discretionary building permit or other permit, as specified, the city, county, or city and county may require construction or installation of onsite or offsite improvements in order to mitigate potentially significant environmental effects, as required pursuant to the CEQA.
- 10) Provides that nothing in this bill shall be construed to relieve a city, county, or city and county of its obligation to comply with the provisions in the Housing Accountability Act, related to vesting, before subjecting a housing development project to an improvement that was not in effect when a preliminary application, as specified, was submitted.

- 11) Finds and declares that increasing housing production is matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution, and one of the impediments to housing production is a lack of predictability and transparency when assessing impact fees. Therefore, this bill applies to all cities, including charter cities.
- 12) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill, within the meaning of Section 17556 of the Government Code.

COMMENTS

- 1) *Police Powers and Land Use Authority.* Planning for and approving new development 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. Cities and counties enforce this land use authority through zoning regulations, as well as through an "entitlement process" for obtaining discretionary as well as ministerial approvals.

The scale of the proposed development, as well as the existing environmental setting determine the degree of local review that occurs. For larger developments, the local entitlement process commonly requires multiple discretionary decisions regarding the subdivision of land, environmental review pursuant to the California Environmental Quality Act, and project review by the local agency's legislative body (city council or county board) or by a planning commission delegated by the legislative body.

- 2) *The Permit Streamlining Act (PSA).* The PSA requires public agencies to act fairly and promptly on applications for development proposals. 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. Because the local agency is exercising discretion, these approval decisions are subject to CEQA. Discretionary permits often apply to new developments, significant renovation, or changes in use that may impact the community. Tenant improvements may or may not require discretionary permits.
- 3) *Building Permit Approvals.* A builder may need a range of administrative permits from the local agency 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.

City and county building departments enforce the provisions of the State Housing Law, the California Building Standards Code, and local zoning codes that specify the allowable forms and uses of buildings within a city or county's jurisdiction. Within building departments, the positions responsible for evaluating building permits for compliance include building

officials, inspectors, plan checkers, and civil engineers. State Housing Law also allows local agencies to hire private entities on a temporary basis to perform plan checking services. Some agencies contract out a portion of their workload during especially busy times, or certain portions of the building permit review process, such as reviewing compliance with energy efficiency requirements. Other local agencies contract out nearly all plan checking functions to a private firm.

- 4) *Post-entitlement Permits*. A development proposal that does not require any discretionary approvals, or has been approved and entitled by a local agency, is still required to obtain approval for a range of post-entitlement permits, including building, health, and safety permits. This stage of the review process is often ministerial, as these post-entitlement permits are typically objective in nature.

In order to expedite this stage of the development approval process for housing developments, AB 2234 (Robert Rivas), Chapter 651, Statutes of 2022, established parameters for a local agency's review of non-discretionary post-entitlement phase permits, including requiring a local agency to determine whether an application for a post-entitlement building permit is complete within 15 days of the agency receiving the application. Post-entitlement building permits must be approved by local agencies within 30 days for small housing development projects and 60 days for large housing development projects.

AB 1114 (Haney), Chapter 753, Statutes of 2023, expanded the post-entitlement permits subject to the expedited review process and timelines established by AB 2234 to include all building permits and other permits issued under the California Building Standards Code, or any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary.

AB 301 (Schiavo and Rivas), Chapter 488, Statutes of 2025, extended these post-entitlement phase permitting provisions to state agencies.

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."

Arguments in Support

California YIMBY and SPUR, the sponsors of the bill, writes in support, "SB 1014 represents an important step forward for good governance. Clear, consistent, and transparent rules are essential to ensuring that housing policies adopted by the California State Legislature can be implemented

fairly and efficiently by local governments, and relied upon by project applicants and communities alike. Too often, housing developments face new or expanded onsite and offsite improvement requirements late in the permitting process, after significant time and resources have already been invested. These last-minute conditions, such as unanticipated infrastructure upgrades, utility improvements, or public work requirements, introduce substantial and unpredictable costs and in many cases render otherwise compliant housing projects infeasible.

"SB 1014 helps address this challenge by ensuring that improvement requirements are disclosed completely, early, and clearly, providing both local agencies and applicants with a shared understanding of expectations. By improving predictability, the bill supports responsible planning while preserving local authority to require appropriate improvements, so long as those requirements are communicated in a timely and transparent manner."

Arguments in Opposition

The City of Foster City writes in opposition to the bill, "While the City recognizes the value of early disclosure in the development process, the rigid timelines and disclosure requirements imposed by this bill do not account for the complexity of infrastructure planning and the iterative nature of the entitlement process.

"SB 1014 would impose new state-mandated duties on local agencies without providing a mechanism for reimbursement, and the bill's own findings acknowledge that no reimbursement is required under its terms. This places an undue administrative and fiscal burden on City State, who must now compile detailed improvement lists and cost estimates within compressed timeframes, diverting resources from other critical functions.

"Furthermore, the bill's prohibition on requiring improvements not previously disclosed could limit the City's ability to respond to conditions that emerge during the course of project review, potentially compromising infrastructure adequacy and the integrity of the planning process. The limited public health and safety exception provided in the bill is narrowly drawn and may not be sufficient to address the full range of circumstances in which additional improvement requirements are warranted."

FISCAL COMMENTS

No state costs. Local costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover these activities.

VOTES

SENATE FLOOR: 30-9-1

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Niello

ASM LOCAL GOVERNMENT: 7-2-1

YES: Carrillo, Pacheco, Fong, Blanca Rubio, Stefani, Ward, Wilson

NO: Ta, Alanis

ABS, ABST OR NV: Ransom

ASM HOUSING AND COMMUNITY DEVELOPMENT: 11-0-1

YES: Haney, Ávila Farías, Caloza, Garcia, Kalra, Lee, Ward, Ta, Tangipa, Wicks, Wilson

ABS, ABST OR NV: Patterson

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ABS, ABST OR NV: Dixon

UPDATED

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CONSULTANT: Linda Rios / L. GOV. / (916) 319-3958

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