

SENATE THIRD READING

SB 158 (Committee on Budget and Fiscal Review)

As Amended September 8, 2025

Majority vote

SUMMARY

This bill provides statutory changes necessary to implement the Budget Act of 2025 related to land use.

Major Provisions

This bill contains the following statutory changes necessary to implement the Budget Act of 2025. Specifically, this bill:

- 1) Expresses the intent of the Legislature for the Housing Development and Finance Executive Committee created by the Governor's Reorganization Plan No. 1 of 2025, to make recommendations to the Legislature regarding improvements the Department of Housing and Community Development (HCD) may make to optimize loan administration to expedite the processing of awards and loan closing.
- 2) Restores two provisions to the Budget Act of 2025, which were enacted in AB 137 (Chapter 20, Statutes of 2025) but inadvertently chaptered out by the subsequent enactment of AB 130 (Chapter 22, Statutes of 2025):
 - a) Updating references to the Governor's Office of Planning and Research to reflect that entity's new name, the Governor's Office of Land Use and Climate Innovation (GO-LCI).
 - b) Authorizing GO-LCI to require submission of General Plan Annual Progress Reports using standard forms, standards, and definitions, with specified exceptions.
- 3) Applies the provisions of the Permit Streamlining Act (PSA) to ministerial housing development projects, as defined in the Housing Crisis Act (HCA), reviewed by local agencies.
- 4) Modifies the deadline for a public agency to approve or disapprove housing projects that are exempt from California Environmental Quality Act (CEQA) from 30 days after the conclusion of tribal consultation process to 30 days from the later of :
 - a) The conclusion of the tribal consultation process under AB 130 (Chapter 22, Statutes of 2025) or
 - b) The time period specified under the Housing Accountability Act.
- 5) Requires the HCD to prepare to administer Round 7 of the Homeless Housing, Assistance and Prevention program with the goal that the initial Round 7 disbursement will be available to grantees meeting the statutory provisions, beginning September 1, 2026, subject to specified criteria.

- 6) Revises the definition of "natural and protected lands" for purposes of the California Environmental Quality Act (CEQA) to include lands that are identified for conservation in an adopted natural community conservation plan as specified, or other adopted natural resource protection plan.
- 7) Exempts builder's remedy projects greater than four acres from the limited application of CEQA provided by Public Resources Code Section 21080.1.
- 8) Reduces the eligibility for builder's remedy projects to receive the CEQA exemption provided by Public Resources Code Section 21080.66 from five acres to four acres.
- 9) Requires the lead agency, for any housing project using the CEQA exemption provided by Public Resources Code Section 21080.66, to file a notice of exemption with GO-LCI and the county clerk of the county in which the activity will occur.
- 10) Renumbers and makes non-substantive change to existing law that exempts from CEQA specified new agricultural employee housing projects and projects consisting exclusively of the repair or maintenance of an existing farmworker housing project.
- 11) Applies CEQA to housing development projects meeting specified conditions related to local population size and proximity to sensitive environmental and historic resources.
- 12) Appropriates the sum of \$2,106,000 from the General Fund to GO-LCI to support the implementation of SB 131 (Chapter 24, Statutes of 2025).

COMMENTS

This bill contains technical clean-up necessary to implement the Budget Act of 2025 related to land use.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The bill makes a General Fund appropriation of \$2,106,000 from the General Fund to GO-LCI to support the implementation of SB 131 (Chapter 24, Statutes of 2025).

VOTES**SENATE FLOOR: 28-10-2**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: September 8, 2025

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