

## SENATE THIRD READING

SB 484 (Laird)

As Amended June 25, 2025

Majority vote

**SUMMARY**

Requires the California Coastal Commission (Commission), in consultation with the Department of Housing and Community Development (HCD), by July 1, 2027, to identify infill areas within at least three local jurisdictions that do not have a certified local coastal program (LCP) for a categorical exclusion from the coastal development permitting (CDP) requirement.

**Major Provisions**

- 1) Requires, by July 1, 2027, the Commission, in consultation with HCD, to identify infill areas within at least three local jurisdictions that currently do not have a certified LCP, wherein development of a residential housing project comprised entirely of units, excluding managers' units, that are deed-restricted for persons of very low-, low-, or moderate-income shall be categorically excluded from the requirement to obtain a CDP.
- 2) Sunsets the categorical exclusion June 30, 2037.
- 3) Requires each of the areas identified by the Commission to be effective upon the Commission certifying the exclusion pursuant to the two-thirds vote of its appointed members.
- 4) Requires the Commission, in consultation with HCD, to select jurisdictions located in various regions of the coast; and, select jurisdictions that vary in population size from one another.
- 5) Requires, in identifying the categorical exclusion infill areas, the Commission, in consultation with HCD, to identify the largest feasible categorical exclusion areas; ensure the areas affirmatively further fair housing; consider each selected jurisdiction's inventory of sites in its housing element; and, avoid sites that are projected to be impacted by sea level rise and associated coastal hazards.
- 6) Requires the infill development proponent to request, and the Commission to issue, a notice of exclusion documenting that the proposed project is categorically excluded from the requirement to obtain a CDP.
- 7) Requires, on or before August 1, 2027, the Commission to post on its internet website clearly defined maps of the categorical exclusion areas established pursuant to this section.
- 8) Requires, on or before January 1, 2035, the Commission to submit a report to the Legislature identifying the number of projects that were constructed or that are currently under construction that were categorically excluded from the permit requirements.

**COMMENTS**

The Commission administers the Coastal Act and regulates proposed development along the coast and in nearby areas in the coastal zone. Generally, any development activity in the coastal zone requires a CDP from the Commission or local government with a certified LCP. In the

jurisdictions with certified LCPs, local governments issue CDPs with detailed planning and design standards.

Housing production has not kept pace with the state's population growth. After decades of underproduction, housing supply is far behind need and housing and rental costs are soaring. HCD has determined that California must plan for more than 2.5 million new homes, and no fewer than one million of those homes must be affordable to lower-income households, in the 6<sup>th</sup> Regional Housing Needs Allocation (RHNA).

According to the Legislative Analyst's Office, California is a desirable place to live, yet not enough housing exists in the state's major coastal communities to accommodate all of the residents that want to live there. A shortage of housing along California's coast means households wishing to live there compete for limited housing, and this competition bids up home prices and rents. High home prices also push homeownership out of reach for many.

The term "infill development" refers to building within unused and underutilized lands within existing communities, typically but not exclusively in urban areas. While infill development presents a multitude of opportunities for improved community development, it can also present environmental justice concerns – building affordable housing next to power plants, freeway interchanges, or other historically avoided areas due to pollution burdens.

Under current law, there are specified exemptions from CDP requirements, including any category of development that the Commission (after public hearing, and by two-thirds vote of its appointed members) has identified as having no potential for any significant adverse effect on coastal resources or on public access to, or along, the coast and, where the exclusion precedes certification of the applicable LCP, and that the exclusion will not impair the ability of local government to prepare a LCP.

This bill requires the Commission to create a new, limited-term categorical exemption, until June 30, 2037, for infill areas within at least three local jurisdictions that do not have a certified LCP. The exemption would be limited to development of a residential housing project comprised entirely of units, excluding managers' units, that are deed-restricted for persons of very low-, low-, or moderate-income.

### **According to the Author**

Senate Bill 484 harmonizes the urgent need for affordable housing with the principles established by voters when they created the Coastal Commission. By leveraging the Commission's existing authority to establish categorical exemptions for certain types of development, SB 484 requires the Coastal Commission to streamline 100% affordable housing development within infill areas in limited parts of our coast, ensuring that both affordable housing and environmental protections are prioritized.

### **Arguments in Support**

A coalition of environmental organizations writes, "By leveraging the Coastal Act's existing categorical exclusion mechanism over a ten-year period, SB 484 creates a valuable new expedited pathway to advance the multi-unit, 100 percent affordable housing projects that are so badly needed within the urbanized areas of California's coastal cities, especially those showing the least progress in achieving their quotas for affordable housing under the Regional Housing Needs Allocation (RHNA) process. The lessons learned from implementation of SB 484 will inform future policymaking, such as updates to Local Coastal Programs, which could further

facilitate affordable housing development. Accordingly, we support SB 484, because it takes an innovative and responsible step to streamline and increase affordable housing development in the coastal zone without needlessly undermining California's unique public trust coastal resources."

### **Arguments in Opposition**

None on file

### **FISCAL COMMENTS**

According to the Assembly Appropriations Committee:

- 1) The Commission estimates General Fund costs of approximately \$220,000 annually for two years for one position to perform the required spatial analysis and coordinate with HCD to delineate the required categorical exclusion areas, prepare the necessary staff reports and maps for the CCC to approve the categorical exclusions, and oversee initial implementation.
- 2) Costs of an unknown, but likely minor, amount for HCD to consult with the Commission.

### **VOTES**

#### **SENATE FLOOR: 37-0-3**

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener  
**ABS, ABST OR NV:** Cervantes, Limón, Reyes

#### **ASM NATURAL RESOURCES: 14-0-0**

**YES:** Bryan, Alanis, Connolly, Ellis, Flora, Garcia, Haney, Hoover, Kalra, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

#### **ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0**

**YES:** Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

#### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache, Ta, Tangipa

### **UPDATED**

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