









April 20, 2022

The Honorable Buffy Wicks Chair, Assembly Housing & Community Development Committee 1021 O Street, Suite 4240 Sacramento, CA 95814

RE: Assembly Bill 2234 (Rivas and Grayson): Planning and zoning: housing: permits
As amended April 6, 2022 – OPPOSE
Referred to the Assembly Committee on Housing & Community Development

Dear Assemblymember Wicks:

The California State Association of Counties (CSAC), the League of California Cities (Cal Cities), the Urban Counties of California (UCC), the Rural County Representatives of California (RCRC), and the California Building Officials (CALBO) have regrettably taken an oppose position on Assembly Bill 2234. While we appreciate and share the authors' desires for prompt review and approval of post-entitlement permits, AB 2234 would create practical and policy concerns impairing local government's ability to effectively review applications and includes unclear definitions that effect its scope. AB 2234 would also impose costly mandates for electronic permitting without providing state funding to offset these costs. Finally, the bill excludes approvals required by other agencies, including the Coastal Commission and utilities, for reasons that appear to be based in political rather than policy concerns.

1. Overly Broad Applicability and Impractical Timeframes

Our organizations have consistently opposed "shot-clock" bills for many types of "post-entitlement" permits. AB 2234 applies a similar approach to an incredibly broad subset of permits and projects type—essentially any housing project—and creates arbitrary timeframes that fail to account for the complexity or unique circumstances of an individual project, the quality of an application, or the type of permits required. We appreciate that the most recent amendments provide an exception for especially complex projects, but it would be better to more narrowly focus the bill on projects and approvals most likely to be feasibly reviewed within the bill's quick timeframes.

2. Costly and Unfunded Technological Mandates

We oppose the unfunded mandate for email or electronic-based permitting and have consistently urged the author to focus the bill on either technology or process improvements, but not both.

As discussed in the Department of Housing and Community Development's recent Data Strategy Appendix to the Statewide Housing Plan, "typical costs for new permit systems or major updates range from under \$100,000 for a smaller jurisdiction to over a million for the implementation of a high functionality system in a larger jurisdiction." The Department went on to estimate that "if all jurisdictions in the state were to pursue a project like this, costs are estimated to exceed \$100 million." Moreover, the Data Strategy identified ongoing operating costs in the tens of thousands of dollars annually, although likely higher in larger jurisdictions.

AB 2234 would mandate costly electronic permitting or inefficient email-based workarounds, but it would not provide any state funding to accomplish this goal, despite the significant costs identified in the Statewide Housing Plan. Instead, specified "large jurisdictions," which includes small cities located within large counties, would be required to incur significant up-front expenses, and try to recoup their costs through fees on development applicants. This fee-based cost recovery is most likely to be practical in larger jurisdictions with significant housing growth, and it would be at odds everywhere with recent state efforts to reduce fees on new development.

3. Unclear Scope and Definitions

AB 2234 applies its review timeframes to a non-exclusive list of post-entitlement permit. The bill appears to require local agencies develop lists of every post-entitlement permit that may apply to an applicable project, but it is unclear how these lists must be developed and whether they must account for *every* possible permutation of permit, which could vary widely based on physical location of the proposed development.

The bill's definitions of post-entitlement permits also appear to be circular: clauses (i) through (iv) of subparagraph (A) of paragraph (2) of subdivision (k) imply that building permits, "permits for minor or standard offsite improvements," demolition permits, and "permits for minor or standards excavation and grading," are *not* encompassed in the clause (v) definition of "a permit or review listed by a public agency pursuant to paragraph (1) of subdivision (a)." The bill should be amended to explicitly allow local agencies to exclude certain types of less-standard permits or approvals from the new process (e.g. a non-minor grading permit).

4. Excludes Other Permitting Entities

If the goal of AB 2234 is to require expeditious approval of all post-entitlement approvals for housing projects, it should not exclude other entities whose permit requirements might delay projects. The exclusion for permits issued by investor-owned utilities, the Coastal Commission, and special districts does not have a sound basis in policy.

For these reasons, our organizations are opposed to AB 2234. If you need additional information about our position on AB 2234, please contact Chris Lee (CSAC) at clee@counties.org, Kiana Valentine (UCC) at kiana@politicogroup.com, Jason Rhine (Cal Cities) at jrhine@calcities.org, Tracy Rhine (RCRC) at trhine@rcrcnet.org, or Brady Guertin (CALBO) at bguertin@calbo.org.

Sincerely,

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cc: The Honorable Robert Rivas, Member, California Assembly

The Honorable Tim Grayson, Member, California Assembly

Honorable Members, Assembly Housing and Community Development Committee

Steve Wertheim, Consultant, Assembly Housing and Community Development Committee

William Weber, Consultant, Assembly Republican Caucus