



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



Technical Assistance
for Local Planning

HOUSING

2025 Budget Bills: AB 130 and SB 131 Overview

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Presentation Overview

CEQA

- New Urban Infill Exemption
- Housing Element Rezoning
- Near Miss Projects
- Other CEQA Updates

Housing Laws

- Permit Streamlining Act
- Homeless Shelters
- Building Code Freeze
- Sunset Repeal
- Other housing law updates

Presentation Key

ACTION ITEM
Green Background

IMPACTS YOUR JOB
Yellow Background

GOOD TO KNOW
Blue Background

California Environmental Quality Act (CEQA): Urban Infill Exemption

Qualifications

- **Housing development project**
- **Project size:** up to 20 acres (or 5 acres for “builder’s remedy” projects)
- **Infill site**
 - Previously developed; 75% perimeter developed with urban uses; 75% area within ¼ mile of developed urban uses, or at least three of four sides developed with urban uses
- **Within incorporated municipality or U.S. Census urban area**
- **Consistent with general plan and zoning** (density bonus or builder’s remedy doesn’t make inconsistent)
- **Density** at least 50% of the Housing Element default density (10 or 15 du/a in Bay Area)
- **No transient lodging** (hotels, motels, etc.) if “deemed complete” after 1/1/25
- **No demolition of historic structures** placed on register before preliminary application
- **Public Res Code 21080.66**

SB 35 Required Qualifications

- **Not allowed in:**
 - Certain areas of coastal zone
 - Prime farmland
 - Wetlands, habitat for protected species, conservation easement, natural resources protection plan
- **Allowed if mitigated** (need evidence of required mitigation):
 - Very high fire hazard zone
 - Hazmat site
 - Alquist-Priolo earthquake fault zone
 - Flood hazard area and floodway
- **Gov Code 65913(a)(6)**

Additional Required Conditions

- Labor Requirements for 100% lower income projects and buildings greater than 85 ft
- Proximity to freeway (500 ft): certain HVAC requirements and no freeway facing balconies
- Phase I and II studies and if necessary, remediation
- Certain requirements if tribal consultation

Tribal Notification

- Notify tribes by email and certified mail within 14 days of:
 - For projects “deemed complete” before 7/1/26: after “notification”
 - For projects “deemed complete” on/after 7/1/26: after the project is “deemed complete”
- Tribes have 60 days to request consultation
- If tribe accepts consultation, 14 days to initiate it
 - May have multiple timelines if tribes accept on different days

Tribal Consultation

- Consultation up to 45 days after initiation
 - One 15-day extension if requested
 - Project proponent may participate if approved by tribe
 - Does not require that agreement be reached
 - Specific conditions of approval must be attached unless both tribe and project proponent agree conditions can be eliminated
 - Any agreement beyond these conditions must be agreed to by tribe, local government, and project proponent
- Must reach decision on project within 30 days after tribal consultation concluded.

Timeline

Timeline	Required Actions and Details
Within 14 days of: • “notification” (before 7/1/26), OR • “deemed compete” (7/1/26 or later)	Notify Tribes
60 days from formal notification	Tribes must respond
Within 14 days of tribal acceptance	Initiate consultation
45 days from consultation initiation (plus optional 15-day extension)	Conclude consultation
Within 30 days from conclusion of consultation	Make decision on project

Pub Res Code 21080.66

New Urban Infill Exemption Key Takeaways

Action Item

- Prepare:
 - form showing requirements for new exemption
 - standard project conditions
 - timelines allowing approval in 30 days

Impacts Your Job

- Tribal consultation specific timelines must be followed
- 30 days to approve/deny project at conclusion of tribal consultation process

Q & A - Part 1

Additional CEQA Updates

Housing Element Rezoning Exemption

- Exempts rezoning that implements the schedule of actions in an approved housing element
 - Does not apply if rezoning allows:
 - Construction of a distribution center or oil and gas infrastructure
 - Construction to occur within boundaries of natural and protected lands, except may include prime agricultural land
 - May exclude portions of site containing natural and protected lands from rezoning. Later rezoning of these areas is not exempt from CEQA.
- Public Res Code 21080.085

Housing Element Rezoning Exemption Key Takeaways

Good To Know

- New definitions:
 - Distribution center (Pub Res 21060.4)
 - Oil and gas infrastructure (Pub Res 21060.8)
 - Natural and protected land (Pub Res 21067.5)

Impacts Your Job

- Housing Element implementation rezoning now exempt

“Near Miss” Projects

- Housing development projects that **almost** qualify for an exemption (Statutory exemptions; Classes 1-5, 12, 15, 20, 27, 30, and 32), but for a **single** condition (physical or regulatory feature of project or setting or an effect on the environment)
- Focused CEQA Review (Initial Study, Negative Declaration, or EIR):
 - Only address the single condition that makes housing development project ineligible for exemption
 - Does not require analysis of alternatives or growth inducing impacts
- Pub Res Code 21080.1

"Near Miss" Projects: Key Takeaways

Good To Know

- “Near miss” does not apply if:
 - Two or more conditions exist that would make housing project ineligible for exemption
 - Not applicable to certain housing projects, such as those on natural and protected lands, except OK in very high fire hazard zones

Large-Scale Infrastructure & Manufacturing Exemptions

- Advanced manufacturing facilities on sites zoned for industrial use (Pub Res Code 21080.69)
- Certain projects related to high-speed rail (Pub Res Code 21080.70)
- Broadband in right of way (Pub Res Code 21080.51)

Public Health & Community Spaces Exemptions

- Rural health clinics, federally qualified health centers, nonprofit food banks/pantries (Pub Res Code 21080.69)
- Day care centers in non-residential areas (Pub Res Code 21080.69)
- Certain public parks and non-motorized trails (Pub Res Code 21080.57)

Environmental & Agricultural Exemptions

- Certain community water/sewer service projects (Pub Res Code 21080.47; 21808.48)
- Updates to state climate adaptation strategy (Pub Res Code 21080.69)
- Certain wildfire risk reduction projects (must meet certain requirements) (Pub Res Code 21080.49)
- Certain agricultural employee housing (Pub Res Code 21080.44)

Additional CEQA Takeaways

Good To Know

- Revisions to administrative record preparation requirements for CEQA litigation
- Infill guidance to be updated every two years starting 1/1/27 (Pub Res Code 21094.5.5)
- Potential chaptering issue with new VMT mitigation provisions

Impacts Your Job

- Several new exemptions to be aware of, both in the housing context and non-housing context

Q & A - Part 2

Housing Law Updates

Permit Streamlining Act: Development Project

- “Development project” includes ministerial housing development projects
 - Does **not** include ministerial projects that are not housing development projects
 - Does **not** include post entitlement permits (defined in Gov Code 65913.3)
 - Gov Code 65928(b)

Permit Streamlining Act: New Timelines

- Ministerial projects must be approved or disapproved within 60 days from date of receipt of a “**complete** application”
 - Excludes project applications submitted under Affordable Housing and High Roads Jobs Act of 2022 (AB 2011)
- New CEQA infill exemption projects must be approved or disapproved within 30 days from conclusion of tribal consultation process
- Gov Code 65950(a)(6), (7)

Permit Streamlining Act: Changes and SB 35

- Initial Project Review
 - Determine completeness in 30 days
 - If complete: ≤ 150 units: 30 additional days for consistency, 30 days more to make decision. > 150 units: consistency and decision in additional 60 days after completeness
 - If incomplete: ≤ 150 units: 30 additional days for consistency. > 150 units: 60 additional days for consistency.
- Resubmittals
 - 30 days to determine completeness and consistency
 - If complete: 60 additional days to make decision

Permit Streamlining Act: Key Takeaway

Action Item

- Need to comply with reduced deadlines for approval of certain ministerial projects

Deemed Approved

Good To Know

- Public noticing process and timeline for application to be “deemed approved” has been removed.
- If project is not approved or disapproved in the required time limits, the permit application will be deemed approved
- Gov Code 65956

Homeless Shelters: Inspections & Reporting

- City/county must perform annual inspections (announced or unannounced) on every homeless shelter in its jurisdiction to ensure compliance with laws. (Health & Safety Code 17974.1)
- Must annually report number of complaints received (even if none). Funds may be withheld if don't report or don't correct violations (Health & Safety Code 17974.5)

Homeless Shelters: Posting Information

- Homeless shelter must display information about an occupant's rights and the process for reporting a complaint alleging the homeless shelter is substandard.
- Contact information for owner, operator, city/county, HCD must be displayed and provided to new occupants. (Health & Safety Code 17974.1.5)

Homeless Shelters: Key Takeaway

Action Item

- New requirement to perform annual inspections and reporting to HCD



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Residential Building Standards Frozen

- **Timeline:** October 1, 2025 - June 1, 2031
 - **Statewide Freeze:** Building standards for residential units will **not** be updated on 18-month cycle or adopted by CA Buildings Standards Commission/other agencies unless specific conditions are met
 - **Local Limits:** city/county may **not** establish more restrictive building standards (including green building) for residential units, unless specific conditions are met. (Health & Safety Code 18941.5(c))
- Changes to building code in between three-year publication limited to specified items. (Health & Safety Code 18942(a))

Locking in Model Home Standards

- **Model Home Design:** state and local building standards in effect at time of building permit application for model home design apply to future residential dwellings built on that model
 - Exceptions: design substantially changes or 10 years have passed
- Health & Safety Code 18938.5(d)

Sunsets Repealed

- Several recent housing bills had sunset dates that have been repealed:
 - Housing Accountability Act
 - Housing Crisis Act
 - Permit Streamlining Act
 - Five-hearing limit; application checklist; and preliminary application requirements
 - Starter Home Revitalization Act

Affordable Housing on Faith and Higher Education Lands (SB 4)

- Changes made related to:
 - Parking requirements
 - Maximum building height
 - Child care ancillary uses
- Annual Progress Report will need to include information related to these units (Gov Code 65400)
- Gov Code 65913.16

Starter Home Revitalization Act (SB 684)

- Changes made related to:
 - Remainder parcels and their requirements
 - Requirements for sale, lease, or finance of parcels resulting from subdivision
- Gov Code 66499.41

Accessory Dwelling Units (ADUs)

- Removed a provision that stated that if a local agency had adopted an ordinance before July 1, 2018 to ministerially approve ADUs in multifamily dwelling structures it could impose objective standards on ADUs (such as design, development, and historic standards, but not minimum lot size).
- Gov Code 66323

Housing Updates: Key Takeaways

Good To Know

- Several provisions that were set to expire will now continue indefinitely
- Be aware of changes to Affordable Housing on Faith Based and High Education Lands and Starter Home Revitalization Act when reviewing these project applications

Action Item

- If your ADU ordinance imposes pre-2018 objective standards on ADUs in multifamily structures, these may need to be updated to be consistent with current state requirements and HCD guidance

Q & A - Part 3

Thank You

Contact us: HousingTA@bayareametro.gov