

Metropolitan Transportation Commission and Association of Bay Area Governments  
**Joint MTC ABAG Legislation Committee**

February 12, 2021

Agenda Item 3c

**Senate Bill 7 (Atkins): Extension of California Environmental Quality Act (CEQA)  
Judicial Review Streamlining Authority**

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**Subject:** Restores an expired authorization for streamlined judicial review and adds eligible specified housing projects consistent with a region’s sustainable communities strategy, and dedicates at least 15 percent of the units to lower-income households.

**Overview:** SB 7 is a reintroduction of SB 995, which MTC and ABAG supported last year but died on the last day of last year’s legislative session. It extends until January 1, 2024, the Jobs and Economic Improvement Through Environmental Leadership Act of 2011—initially authorized by Assembly Bill 900 (Buchanan, 2011)—and adds as a new category eligible for streamlined review housing projects meeting the following criteria:

- Located on an infill site and consistent with the policies specified for the project area in a region’s sustainable communities strategy
- Will invest between \$15 million to \$100 million in California
- At least 15 percent of the units dedicated to lower-income households
- Satisfy specified labor requirements, including that the project be constructed with a “skilled and trained workforce.”<sup>1</sup>

The bill is proposed as an urgency statute to take effect immediately.

**Changes from SB 995** SB 7 adds a new requirement applicable to housing developments that want to take advantage of the streamlining - they must “unbundle” the parking that is offered unless doing so conflicts with a local ordinance. Unbundling is a strategy that can make housing more affordable by allowing the buyer or renter to choose whether to pay for parking or opt-out and keep the savings. The bill also adds a notice requirement for projects that intend to take advantage of the streamlining option and a legislative review mechanism whereby projects approved by the Governor as eligible must be submitted to the Joint Legislative Budget Committee for concur nonconcurrency.

**Background:** In 2011, the Legislature enacted AB 900, establishing specified administrative and judicial review procedures for CEQA challenges to certain residential, retail, commercial, sports, cultural, entertainment, or recreational use projects, known as Environmental Leadership Development Projects (ELDP). In April 2019, the Senate Office of Research released a report describing projects that have qualified for expedited CEQA judicial review pursuant to AB 900. According to the report, 10 of the 19 ELDPs have included a housing component.

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<sup>1</sup> Under the [Public Contract Code 2601](#), skilled and trained is defined as requiring that projects constructed after January 1, 2020 be constructed by a workforce at least 60 percent of whom are graduates of apprenticeship programs for the applicable occupation, with some exceptions.

Under the expired law, there was no minimum share of units that had be dedicated to lower-income households, and housing projects must be certified as Leadership in Energy and Environmental Design-gold (LEED-gold) or better by the United States Green Building Council.

***Accelerate Affordable Housing*** In addition to extending the program, the most significant change proposed by SB 7 is to add lower-cost affordable housing developments (with a minimum cost of \$15 million but less than \$100 million) that do not require LEED-Gold certification as eligible for the streamlined judicial review.

***Increased Certainty*** A desired benefit of the expedited judicial review under the AB 900 statute was a requirement that any CEQA-related judicial review, including appeals, be resolved within 270 days from the certification of the administrative record. This timeline itself was subject to dispute, so SB 7 would make a technical amendment clarifying that the 270-day target for resolving challenges to CEQA to a certified environmental impact report be resolved in 270 “business days” of filing. The bill also clarifies that the timeline applies to both appeals to the Court of Appeal and the state Supreme Court.

**Discussion:**

As noted in the Senate Floor Analysis, the existing AB 900 process has had a relatively modest impact, likely due to the high threshold requirement of LEED-Gold certification and \$100 minimum investment. With the addition of affordable housing projects costing a minimum of \$15 million and removal of the LEED-Gold certification, many more projects will qualify. Notably, SB 7 does not exempt affordable housing projects from environmental review under CEQA. Instead, the bill provides a means to expedite the resolution of any legal challenges *after* a project sponsor has completed the environmental review process. Consistent with our prior support of SB 995 last year and our [2021 Advocacy Program’s](#) goal (4B) to pursue CEQA streamlining for housing projects consistent with local and regional plans, staff recommends a support position on SB 7.

**Recommendation:** Support

**Bill Positions:** Not available

**Attachments:** Attachment A: Bill positions on SB 995 (Atkins, 2020)

  
Therese W. McMillan

**Bill Position on SB 995 (Atkins, 2020) – almost identical to SB 7 (Atkins, 2021)**

***Note: This list is illustrative of organizations that might support SB 7 but since the bill was just introduced they (like MTC/ABAG) have yet to submit official position letters.***

Support	Opposition
Association of Bay Area Governments Bay Area Council Bay Area Housing Advocacy Coalition Bridge Housing Corporation California Apartment Association California Association of Realtors California Chamber of Commerce California State Council of Laborers California Yimby City of San Diego Civil Justice Association of California Council of Infill Builders Downtown San Diego Partnership Facebook Habitat for Humanity California Hollywood Chamber of Commerce Metropolitan Transportation Commission San Diego County Supervisor Greg Cox San Diego County Supervisor Nathan Fletcher San Diego Regional Economic Development Corporation San Diego Regional Chamber of Commerce San Francisco Housing Action Coalition Schneider Electric Silicon Valley Leadership Group South Pasadena Residents for Responsible Growth State Building & Construction Trades Council of California Silicon Valley at Home The Two Hundred Unite Here Up for Growth Valley Industry & Commerce Association Yucca Argyle Project	Angeles Mesa Homeowners Community Group Associated Builders and Contractors - Northern California Chapter (unless amended) Associated Builders and Contractors - Southern California Chapter By the Beach Tamarack Group California Environmental Justice Alliance (unless amended) California League of Conservation Voters (unless amended) Center for Biological Diversity (unless amended) Center on Race, Poverty & the Environment (unless amended) Cherrywood Leimert Park Block Club Citizens Preserving Venice Citizens Protecting San Pedro City of Hidden Hills City of Redondo Beach Communities United CD7 Comstock Hills Homeowners Association Families of Park Mesa Heights Federation of Hillside and Canyon Associations Franklin Corridor Coalition Friends of Sunset Park Graylawn Neighbors for Quality of Life Hyde Park Organizational Partnership for Empowerment Leadership Counsel for Justice & Accountability (unless amended) Leimert Park - Edgehill Drive Residents Association Livable Riverside & Moreno Valley Mission Street Neighbors New Livable California North Santa Ana Preservation Alliance Northeast San Fernando Valley Activists Physicians for Social Responsibility - Los Angeles (unless amended) Planning and Conservation League (unless amended) Preserve Saratoga Protecting our Foothill Community Riviera Homeowners Association Shadow Hills Property Owners Association Sierra Club California (unless amended)

	<p>Southeast Torrance Homeowners' Association Sunset-Parkside Education and Action Committee (SPEAK) Sustainable Tamalmonite Tamalpais Design Review Board Tarzana Property Owners Association Victoria/54th Avenue Block Club View Heights Block Club WCH Association Western Electrical Contractors Association Western Quadrant of North Leimert Park Wilshire Montana Neighborhood Coalition</p>
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