California Assembly Select Committee on Permitting Reform

Final Report - March 2025

The Assembly Select Committee on Permitting Reform was established by Speaker Robert Rivas in February 2024.

Contents

Chapter 1

Introduction 3

Chapter 2

Best Practices..... 5

Chapter 3

Success Stories..... 8

Chapter 4

Permitting Reform by Topic 12

Housing..... 12

Electricity..... 18

Water..... 26

Transportation..... 31

Endnotes..... 35

Appendix A..... 36

Appendix B..... 37

Appendix C..... 40

Appendix D..... 45

1 Introduction

Problem Statement

California is facing a housing crisis and a climate crisis. The housing shortage of 2.5 million has led to there being nearly 200,000 homeless people in the state, 80% of low-income households cannot afford the rent without sacrificing other basic needs, and only 1 in 6 households can afford the median priced home. The effects of global climate change have already led to an increase in temperatures, droughts, flooding, and wildfires – all of which are expected to get much worse in the forthcoming decades.

These crises affect everyone in our state. They are also deeply interconnected, as efforts to address one can have profound implications on the others. The negative impacts of each make California less affordable, and are most acutely borne by our lower-income residents.

To address these interconnected crises, California will need to facilitate new construction at an unprecedented scale. This includes millions of housing units, thousands of gigawatts of clean energy generation, storage, and transmission capacity, a million electric vehicle chargers and thousands of miles of transit, and thousands of climate resiliency projects to address drought, flooding and sea level rise, and changing habitats.

Each of these projects will require a government-issued permit before they can be built – and some will require dozens! Therefore, only if governments consistently issue permits in a manner that is timely, transparent, consistent, and outcomes-oriented, will we be able to address our housing and climate crises.

Unfortunately, for most projects, the opposite is true. They face permitting processes that are time-consuming, opaque, confusing, and favor process over outcomes. Sometimes the permitting challenges projects face are accidental, such as when they are caused by miscommunication within and between permitting entities, or when they are vestiges of the values of an era before there was a housing crisis and a climate crisis. Sometimes these challenges are by design, which can occur when the permitting body does not see the political or financial upside of facilitating project approval.

No matter the rationale, the ramifications of these process failures are profound. They can drive up costs, by requiring additional staff time for all parties. They can delay projects, which makes them more expensive and defers the materialization of project benefits. They can increase risk, which drives up costs and has a chilling effect on project sponsors with lower risk tolerance. And, they can result in suboptimal outcomes. They also occur across the spectrum of permitting types and applicant types, including public entities, non-governmental organizations, and businesses.

Collectively, the result of our failed approach to permitting is an anemic level of construction for the projects necessary to address our housing and climate crises. The result is higher costs for housing, electricity, transportation, and even insurance. While permitting is but one aspect of a project's success, it plays an outsized role. This is because government sets the rules of the game and the market conditions. The proof is in the outcomes – wherever in the country housing or infrastructure is being built at scale, it is because the permitting process is enabling that outcome.

By contrast, in California, our approach to permitting facilitates inaction, rather than action. The effects of this failure are felt daily by millions of Californians who struggle to live and thrive here, on the businesses that cannot compete or provide quality jobs, and on every aspect of the environment that is only starting to feel the devastating effects of climate change.

This must change. If we do permitting reform well, we can help make everything from rent, to electricity, to people's daily commutes more affordable – all while protecting our environment. If we fail to act, these core needs will continue to get more unaffordable, still. The cost of inaction is too high.

Desired Outcomes

Fixing our permitting processes is a multi-year effort that spans a wide range of topic areas. The work of the Select Committee on Permitting Reform is but one small piece of that larger effort. But it can serve an important role in galvanizing this critical work. In the hours of hearings, tours and hundreds of conversations that informed this white paper, it became abundantly clear that there is substantial interest in reform. This interest spans all of the topic areas discussed in this paper, as well as a wide range of perspectives on each, including those of permit issuers, permit recipients, and third-party advocates. It includes people with national and global perspectives, and those deeply entrenched in the details of specific permitting processes. Yet, because these individuals and groups are often siloed by topic, issue, and geography, their strength is dissipated. The work of the Select Committee, including this white paper, presents a potential organizing principle for the substantial constituency of interested parties.

The white paper itself aims to help accelerate efforts at permitting reform in several ways. The first way is through the call to action spelled out in the "Problem Statement" above. The second way is by identifying, in Chapter 2, a set of best practices for successful permitting processes, gleaned from the recurring themes that arose from our stakeholder engagement. The third way is by highlighting, in Chapter 3, three success stories, which show that permitting reform is both possible and is actively occurring in California. Finally, the fourth way, in Chapter 4, is by identifying areas where further permitting reform is necessary for us to address our housing and climate crises. This will occur across a range of topic areas, including housing, electricity, water, and transportation.

Methodology

This white paper takes a broad definition of the concept of a "permit" to include any decision point where a government body must grant permission to let a project proceed. This more expansive perspective is important to identify government-induced bottlenecks and choke points that are not technically "permits."

Topically, the Select Committee has been focused on projects that help address the housing crisis without exacerbating the climate crisis, and vice versa. As such, it is largely focused on infill housing, clean energy, transit, and climate resiliency projects.

The information in this white paper is based on engagement with stakeholders representing over 100 different organizations. These stakeholders represent a diversity of perspectives on permitting reform, including those from entities that issue permits, those that receive permits, issue advocates, and academics. The information in this white paper was gathered via testimony received at the Select Committee's four public hearings. The agenda for each of these hearings is contained in Appendix C, while the transcripts for these hearings is contained in Appendix D. The information in this white paper also comes from over 75 off-the-record one-on-one interviews, where stakeholders could speak freely about permitting challenges without fear of recrimination (this is particularly important given the inherent power imbalance in the permittor-permittee relationship). Finally, information was also gathered from presentations on the tours for committee members that occurred before the three remote public hearings, and written correspondence received by the committee. The complete list of stakeholder organizations involved in the white paper is covered is included in Appendix B.

The Select Committee itself was comprised of 12 Assemblymembers. The composition of the Select Committee was meant to maximize diversity across a range of areas, including political party, race, gender, and geography. It also included the Chairs of several committees with jurisdiction over the topic areas covered in this white paper, including Housing, Utilities and Energy, Natural Resources, and Local Government. Appendix A contains a list of the members of the Select Committee.

The contents of this white paper reflect the perspective of its Chair, Assemblymember Wicks, and do not necessarily reflect the perspectives of all of the other members of the Committee or of the California Assembly. The Chair wishes to thank the Bay Area Council Economic Institute for its support in facilitating the hearings, tours, and interviews that informed this white paper.

2 Best Practices

This white paper is based on engagement with stakeholders across a range of topics and perspectives. Over the course of those conversations, a set of recurring themes arose as to the elements of a successful permitting process – i.e., those that result in project approvals that are timely, transparent, consistent, and outcomes-oriented.

These themes – which are also present in the three success stories outlined in Chapter 3 – have been distilled here into 11 best practices. These best practices have been divided into those that should occur before a permitting entity receives any applications and those that should occur after an application is received. These best practices are highly interactive with each other, such that implementation of all will result in strong outcomes, but failure in any single one may undermine the entire process.

Pre-Application Best Practices

1. Prioritize objectives and workload

The requirements and expectations of regulatory bodies often exceed their budgeted capacity. This means decisions have to be made as to where to direct limited resources. Addressing the housing and climate crises will require that regulatory bodies prioritize their efforts accordingly. This means determining which programmatic areas to focus on, and within those programmatic areas, dedicating more resources to processing permits. This also means winnowing back efforts that are largely duplicative to those of another permitting entity, and efforts that are not related to facilitating the prioritized outcomes.

2. Frontload input

When navigating complex systems, such as permitting regimes, it is necessary to frontload the planning effort. This planning effort can provide the necessary information to design an outcomes-oriented process. This information can include technical studies and input from those with professional expertise. The planning effort must also include the wisdom of community members that have on-the-ground expertise, but may not otherwise have access to engage with regulatory agencies – particularly state agencies. With this in mind, regulatory agencies should proactively solicit feedback from community members in areas affected by their permitting activities. When these inputs are frontloaded, they can set a common understanding of the issue and its associated perspectives, and provide general direction on the types and geographies of projects that should be greenlit from those that need to move with more caution. This upfront effort therefore has substantial capacity to remove project-specific friction down the road.

3. Provide a clear and straightforward permit application process

Often the first engagement between a permit seeker and a regulatory body is the application to seek a permit. As such, these applications set the tone for the process to follow. A successful application process clearly specifies the full list of information that the applicant needs to submit, the timeframe by which the regulatory body will review the application for completeness, and the steps that must occur if the application is not deemed complete. Failure to provide such clarity can lead to immediate friction and frustration between the involved parties. It can also enable a regulatory body to change the rules in terms of what information it is seeking and timeframes for review, both of which increase uncertainty.

4. Establish specific timeframes for reviewing permits

Time-certainty in the permitting process is essential to the delivery of cost-effective projects. Time-certainty

requires that permitting entities specify their timeframe for reviewing permit applications. This includes both the timeframe for reviewing the completeness of the application, and the timeframe for determining whether a project conforms with applicable regulations. These timeframes ensure projects maintain the proper level of attention and maintain momentum. Given the diverse nature of the permitting process, there is no specific timeframe that should apply. Instead, timeframes should reflect the inherent complexity and level of regulatory discretion inherent in the project. To the degree possible, these review processes should be designed to be concurrent, instead of sequential.

5. Maximize consistency across permitting entities

Many permits require approval from multiple permitting entities. Because each permitting entity has its own processes, applicants are often asked to provide largely duplicative information, but with enough difference to require time-consuming analysis. Additionally, because each permitting entity has its unique perspective, it will require the project to meet certain specifications that may inherently conflict with those of another permitting entity. Both of these instances add time and uncertainty to projects. A best practice would be for permitting bodies to coordinate up front so as to provide a consistent set of information and, to the degree possible, consistent specifications for the project.

6. Pre-determine mitigations

The permitting process should ensure that projects minimize potential harmful impacts. This process can be ad hoc, such that each project provides a unique set of impact mitigations. However, often a viable approach to mitigation can be known ahead of time. In such instances, the permitting entity should identify those. This will enable the project applicant to design the project toward those specifications from the beginning. It will also provide certainty for the regulatory body and other stakeholders that they will get the desired outcomes. It can also help ensure consistency across permitting entities.

Post-Application Best Practices

7. Treat permit applicants as partners

While many aspects of the permitting process are procedural and technical in nature, there is an undeniable human component. One aspect of this is the perspective by which the staff of the permitting entity perceives the project and its applicant. For projects that demonstratively help address our housing or climate crises, it is imperative that the staff engage the project applicant as partners without whom the beneficial project would not occur. Such an approach deploys the staff's inherent expertise to help applicants navigate complex processes and help solve problems in a manner that facilitates the best outcomes. By contrast, when applicants are not treated as partners, project applicants often get mired in process and viable solutions are left unexplored, to the detriment of the project.

8. Designate a project manager from the regulatory side

As discussed above, it is common for multiple government entities to approve a permit, each with its own process, timelines, and desired outcomes. The result can create significant challenges for applicants in terms of information requested, timeframes for approval, and project specifications. To help overcome these inherent conflicts, there should be a project manager from the regulatory side that is as invested in the project's success as the project manager from the applicant's side. This regulatory project manager should report to the aspect of the executive branch of government under which all permitting entities report, so that there is no permitting entity outside their purview. The regulatory project manager can serve as the main point of contact for the applicant. They can also serve as the liaison between all the permitting entities, making sure all the parties are openly communicating about their objectives and timeframes. And, they can use their access to decision makers to ensure that the project stays on track in terms of timeframe, costs, and desired outcomes.

9. Focus environmental review on aspects of the project that are potentially harmful to the environment

The California Environmental Quality Act (CEQA) is a centerpiece of any discussion of permitting reform. CEQA is the state's premier environmental law for minimizing the negative environmental impacts of new development. However, CEQA determinations of harmful impacts are often highly subjective – anyone is allowed to contest the conclusions of a CEQA document in court. As such, in its 50+ years of existence, CEQA has proven highly susceptible to being leveraged to prevent development of projects for non-environmental reasons, such as dislike of development by those living near the proposed project, desire to lock in labor agreements by labor unions, desire for community benefits by community groups, and as a way for businesses to hurt their competitors. To facilitate the best environmental outcomes, and facilitate necessary projects, the environmental review of projects must be focused on those aspects of the project that are potentially harmful to the environment.

10. Minimize potential harmful impacts

Every development project has the potential to cause harm – even those that help address the housing and climate crises. These harmful impacts can be economic, environmental, or social. The permitting process should be designed to minimize these harmful impacts. Doing so requires proper planning before the permitting process, to raise barriers for projects in areas where it is difficult to minimize impacts, while removing barriers for projects in those areas where harmful impacts are less likely to occur. Doing so also requires that this practice be integrated into the decision-making that occurs during the permitting process. In all instances, harm reduction should take an equity lens that minimizes impacts to historically excluded and marginalized individuals and groups.

11. Emphasize outcomes over process

Our ability to address our crises is dependent on the outcomes that come from development of new housing, clean energy projects, and climate resiliency infrastructure. Therefore, every aspect of permitting should emphasize outcomes over process. This will admittedly require a shift in mindset in this state. We have grown accustomed to a regulatory regime that emphasizes caution and thoroughness, even when such an approach does not improve outcomes and can even undermine a project's positive benefits. We have also grown accustomed to enabling ongoing deliberation, even when that public deliberation is clearly being used as a stall tactic by decision makers or other stakeholders. It is not a best practice for the pendulum to swing completely the other way, such that process is ignored. However, process must be undertaken in the service of addressing our crises.

3 Success Stories

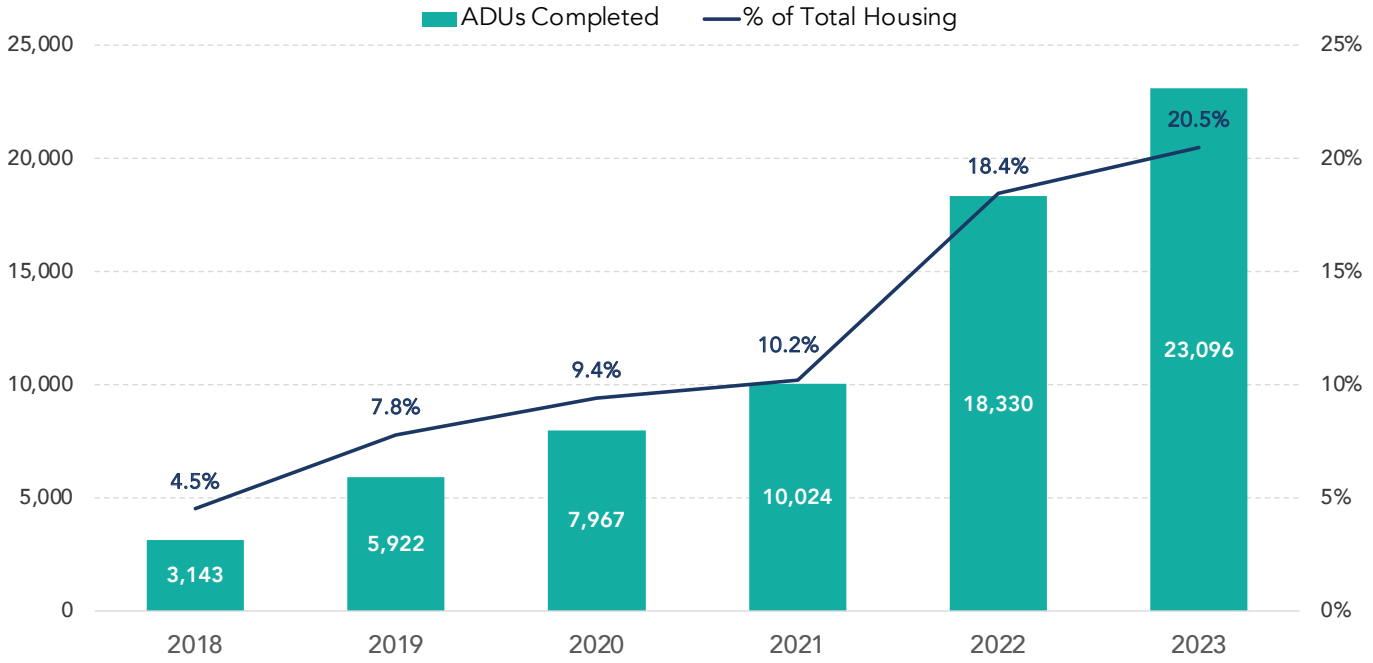
Permitting reform is possible. In fact, there are many examples of such reform occurring throughout the state. This chapter provides a brief case study of three success stories where permitting reform has led to the timely and cost-effective construction of necessary projects in a manner that minimizes and addresses potential negative impacts. These are just three examples of the good work that is already happening in the permitting reform space in California.

Success Story #1 – Accessory Dwelling Units

Accessory dwelling units (ADUs) are the biggest success story in California's efforts to facilitate more housing. ADUs, also known as in-law units, granny flats, and casitas, are stand-alone housing units that exist on the same property as another residential unit. They are intended to be "accessory" to the other units on the site based on size restrictions, though they are not actually required to be smaller than the other units on the property. They can be attached or detached, and built within existing structures (such as garages) or new construction.

Until 2016, the number of ADUs built in California was negligible – about 1,300 per year, representing slightly more than 1% of the units built annually in the state. By contrast, in 2023 there were over 23,000 ADUs completed – accounting for 20% of the 113,000 units completed statewide.[1] Year-over-year, since 2016, ADU growth has never been less than 25%, including during the pandemic, when all other construction activitiy declined – a trajectory that, if followed, would result in more than 88,000 ADUs built in 2030.

Accessory Dwelling Units (ADU) Built in California, 2018-2023



Source: California Department of Housing and Community Development (HCD). **Analysis:** Bay Area Council Economic Institute.
Note: "Completed" means a certificate of occupancy or other form of readiness was issued during the reporting year. Total housing includes all structure types.

Not only is the number of ADUs growing, but they have also become an important part of the affordable housing stock. Academic analysis has revealed that at least one-third of ADUs are affordable to lower-income households making less than 80% of the area median income.[2] At that clip, more than 7,000 affordable units would have been created through ADUs in 2023, without requiring a penny of public subsidy.

The success of ADUs is entirely due to permitting reform brought about by state legislation. Before 2017, ADUs were illegal in almost every jurisdiction in California. There was nothing that prevented local governments from allowing ADUs to be permitted. However, as will be discussed in Chapter 4 on housing, local governments chose to restrict ADUs and other forms of multifamily housing for both political and fiscal reasons.

However, the passage of two bills in 2016 – SB 1069 (Wieckowski) and AB 2299 (Bloom) – changed the rules dramatically. Previously, the legislature had required ADU permit requests to be evaluated by a ministerial process in AB 1866 (Wright, 2002), but it had allowed local governments to adopt whatever standards they would like regarding ADUs, including if to allow them at all. SB 1069 and AB 2299 dramatically limited the criteria that could be used to block ADUs, and created the first state level, uniform rule that required local governments to approve a housing type under zoning conditions outlined by the state. Additionally, approval of ADUs was subject to strict time frames requiring the local government to approve the project within 120 days, or to provide a detailed list of the ways in which the project failed to comply with local standards.

Subsequently, ADU law has been refined numerous times, including measures to decrease the ways local governments can limit the size and location of ADUs, cap impact fees, increase the number of allowable ADUs per parcel, remove the requirement that the property owner live on site, prohibit homeowner associations from banning ADUs, and provide the State's Department of Housing and Community Development with broad authority to enforce ADU law. Importantly, unlike other recent housing legislation, the original and subsequent laws did not require ADUs to carry additional costs, such as labor standards and affordability requirements, in return for their by-right status.

The initial legislation, and subsequent reforms, have all emphasized the need for statewide uniformity of standards, clarity of rules, and certainty of process. The housing market has responded accordingly. In less than a decade, an entire industry has developed around producing ADUs, including developers, architects, permit expediters, and financiers. Many local jurisdictions have recognized the value of ADUs in meeting their overall and low-income housing targets and have developed programs that proactively seek to help property owners build ADUs.

It is not clear how long the ADU boom will continue. Although with over 9 million residential structures in California, there is certainly ample room for ADUs. No matter what, the success of ADUs – driven by permitting reform – has valuable lessons for other housing and non-housing projects in California.

Success Story #2 – Electric Vehicle Charging Stations

California leads the nation in electric vehicle (EV) sales. One of every four new passenger cars sold in California today is an EV.[3] Of the more than 5 million electric vehicles sold in the U.S. since 2011, nearly 40% have been sold in California.

The state's embrace of EVs is no accident – decades of California environmental and energy policy have paved the way. In the 1990s, the California Air Resources Board (CARB) first created its low-emission vehicle regulations. At that time, CARB required that just 2% of passenger vehicles sold in California be zero-emission by 1998. Over the years, CARB has gradually increased its zero-emission vehicle (ZEV) goals. However, in 2022, consistent with an executive order issued by Governor Newsom,[4] CARB published new regulations mandating bold new ZEV standards. Specifically, the CARB regulations require 35% of all new passenger vehicle sales be ZEVs by 2026, and 100% of all new passenger vehicle sales be ZEVs by 2035.[5]

Despite strong adoption of EVs in California, if the state is to achieve its clean energy goals, many more Californians will need to choose an EV when buying a new car.

One of the main barriers to EV adoption is the lack – perceived or real – of a sufficient number of publicly available and functioning EV charging stations. In short, potential EV drivers need to believe they will find a safe, reliable source of electricity to charge their EVs where they need it, when they need it.

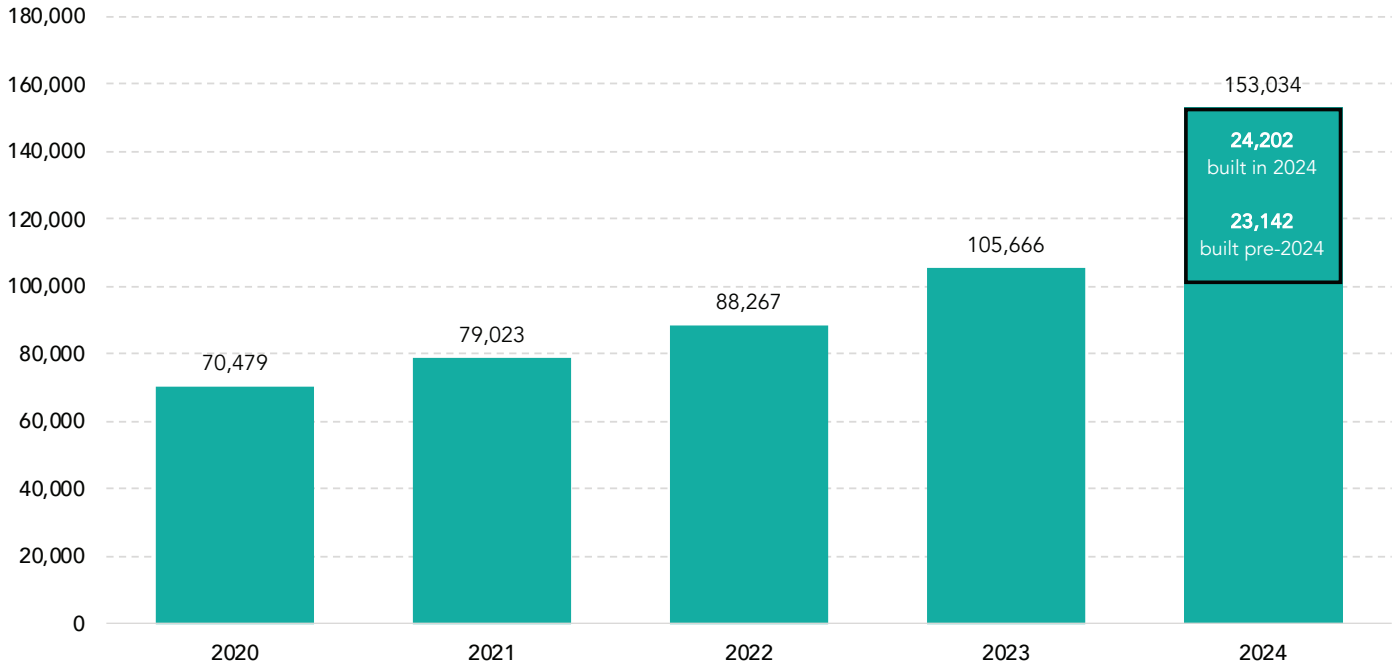
To this end, California has striven to make it easier and quicker for developers to install EV chargers so that more of them will be available to the driving public. Specifically, two recent changes to California law directly seek to reduce the time needed to successfully permit and install an EV charger:

- AB 1236 (Chiu, 2015) requires all California cities and counties to develop an expedited, streamlined permitting process for electric vehicle charging stations. Additionally, jurisdictions must post a checklist with application requirements for expedited review. Projects meeting this standard are subject to administrative review by permit staff, thereby removing most projects from the scope of CEQA. Furthermore, AB 1236 limits review to health and safety concerns – aesthetic and landscape aspects can no longer be considered – and requires a single round of commentary be provided to applicants.
- AB 970 (McCarty, 2021) sets strict standards for electric vehicle charging station permit review timelines. Applications must be reviewed for completeness within five days (for applications with 25 or fewer chargers) or 10 days (for applications with more than 25 chargers), and applications must be approved or denied within 20 or 40 days depending on project size. If no action is taken, the application is deemed approved.

Consistent with these laws, the Governor's Office of Business and Economic Development developed a guidebook and model EV charger ordinance for use by local governments.[6] As a consequence, today, the office reports that 426 of the state's 540 cities and counties have adopted or are in the process of developing streamlined EV charger ordinances.

These expedited local permitting processes have been instrumental in rapidly expanding the state's network of electric vehicle chargers. Approximately 24,000 new chargers were placed into service during the first eight months of 2024 alone, compared to just 8,500 new chargers during all of 2021.

Total Public and Shared Private Electric Vehicle Chargers



Source: California Energy Commission **Analysis:** Bay Area Council Economic Institute
Note: Growth for 2023 to 2024 is due to a combination of new charger installation and the inclusion of previously installed chargers that were identified in new data sources

Success Story #3 – Environmental Restoration

As the stewards of our environment, the California Natural Resources Agency (CNRA) is tasked with helping navigate the devastating effects climate change is already having on our our habitats and the species that live within them. To help make their actions more efficient, in 2020 the CNRA kicked off their "Cutting the Green Tape" initiative.[7] This initiative "is focused on improving interagency coordination, partnerships and agency processes and policies to allow ecological restoration and stewardship to occur more quickly, simply, and cost-effectively." It applies to the CNRA departments responsible for protecting habitats, including the Department of Conservation, the Department of Fish and Wildlife, and the Department of Water Resources. Examples of successful permitting reforms undertaken as part of CNRA's Cutting the Green Tape initiative, in partnership with the legislature, include:[8]

CEQA Statutory Exemption for Restoration Projects

SB 155 (2021) provides a CEQA Statutory Exemption for Restoration Projects (SERP) until January 1, 2030 for fish and wildlife restoration projects that meet certain requirements. The California Department of Fish and Wildlife (CDFW) is responsible for coordinating with lead agencies seeking SERP concurrence. Examples of recent projects to utilize SERP include the Capinero Creek Restoration Project in Tulare County, the Santa Monica Beach Dunes Restoration Project in Los Angeles County, and the Restore Hayward Marsh Project in Alameda County. Exempting these projects from CEQA can significantly expedite the construction of these restoration projects.

Restoration Management Permit Process

CDFW developed the Restoration Management Permit (RMP) after meeting with restoration stakeholders to identify the specific constraints they face when implementing restoration projects where protected species are present. The RMP consolidates authorizations that voluntary habitat restoration projects may need into a single streamlined permit. Per conversation with CDFW, permits that formerly could require up to five state departments and up to two years of processing time can now be completed in four to five months. The RMP can authorize a take of endangered, threatened, candidate, and fully protected species when a project may adversely affect fish and wildlife. The RMP was codified into law under AB 1581 (2024, Kalra), which also added Lake and Streambed Alteration agreements into the single permit and created a definition for qualifying restoration projects.

Interagency Coordination

CDFW and the State Water Resources Control Board (SWRCB) have jointly developed an application and permit review process for projects under the Habitat Restoration and Enhancement Act, administered by CDFW, and the 401 General Water Quality Certification Order for Small Habitat Restoration Projects, administered by SWRCB. This collaboration includes completion of a Programmatic Environmental Impact Report, which includes agreed upon mitigation measures coordinated with U.S. Fish and Wildlife Service and National Marine Fisheries Service for consistency with their restoration permitting efforts.

Coastal Commission Forest Fuel Reduction

To complement the California Vegetation Treatment Program (CalVTP) – a CEQA-compliant program for wildfire resilience projects – the Coastal Commission has pioneered the use of Public Works Plans (PWPs) to streamline fuel reduction projects in the coastal zone. The PWP functions like an overlay to CalVTP, so that following the PWP guarantees both CEQA and Coastal Act compliance. This approach allows applicants to safeguard sensitive biological resources and improve forest health without having to apply for individual coastal development permits. This new programmatic approach was debuted in 2021, when the Coastal Commission certified PWPs for San Mateo, Santa Cruz, and Upper Salinas Las Tablas Resource Conservation Districts. The plans authorize projects with streamlined review and without the need for additional coastal permits over 10 years.

4 Permitting Reform by Topic

The thesis of this white paper is that substantive permitting reform is required to address California's housing and climate crises. The purpose of this chapter is to identify areas where such permitting reform is necessary, across a range of topic areas, including housing, electricity, water, and transportation.

This chapter is divided into subchapters covering each of the topic areas. Within each of these topic areas, a context will be provided that includes the nature of the crisis and permitting reform that has occurred to date. Following that will be a discussion of areas in which the Select Committee believes further permitting reform is necessary.

The information in this chapter is based on the input of stakeholders across the range of topics covered in this report. Given the breadth of topics covered, this paper does not purport to discuss every issue within each topic area; nor, given the range and at times conflicting nature of perspectives offered, does this paper purport to cover every perspective offered in the hearings, tours, or interviews.

Additionally, each issue within each topic area covered in this white paper is nuanced enough to merit a lengthy white paper of its own (and many already do!). For these reasons, it is beyond the scope of this report to offer specific recommendations. Such recommendations – and their implementation – should come from new or ongoing efforts involving direct stakeholders and experts, and factor in the political and financial reality of what is possible at any given time.

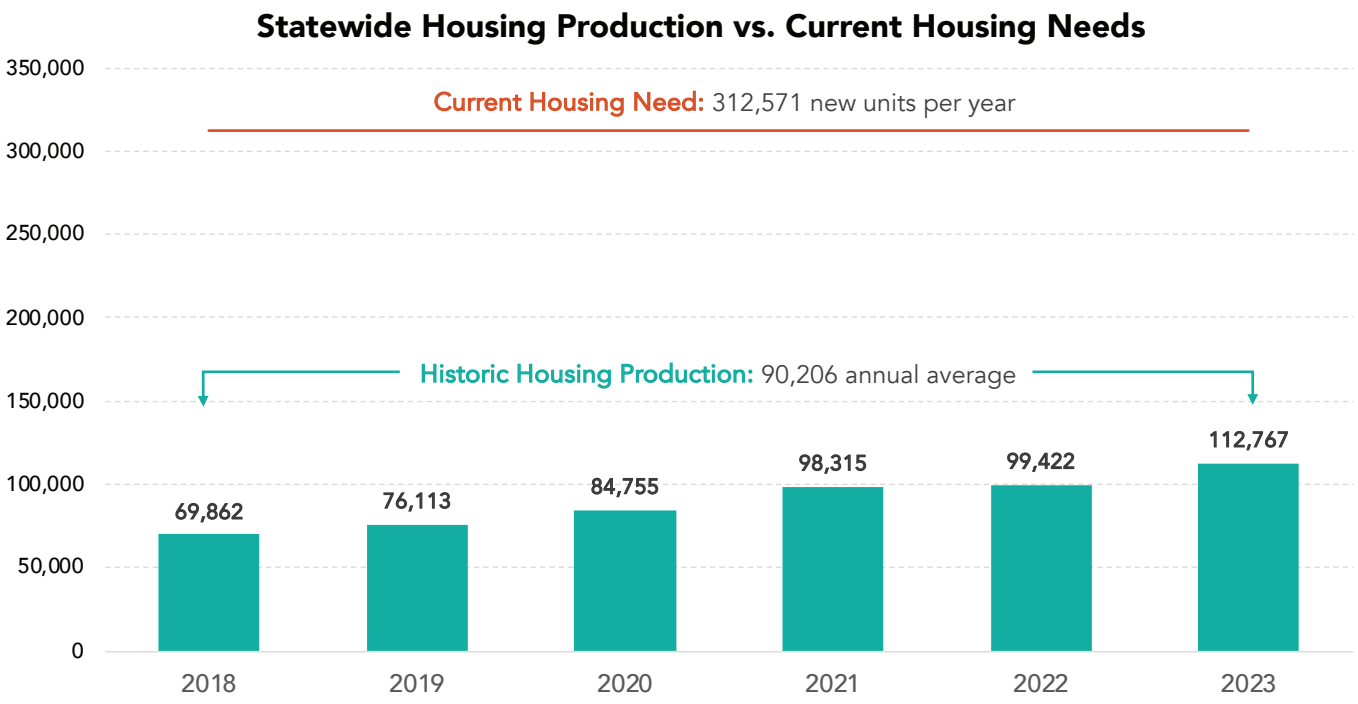
HOUSING

Context

California has a housing crisis. Shelter is a fundamental need for all people, and yet every night 187,000 Californians lack a home to call their own.[9] Millions more struggle to maintain their shelter, as 80% of our state's low-income residents must sacrifice other essential needs (e.g., food and health care) in order to pay the rent.[10] Homeownership is among the most important way for a household to achieve financial stability,[11] yet only 16% of the state's households can currently afford to purchase the median-priced home, compared to 35% nationally.[12]

To address this crisis, the state has set a goal of building over 310,000 units annually over the next eight years, including 125,000 units affordable to lower income Californians.[13] California is falling woefully short of its housing production goals, producing less than 115,000 total homes in 2023 (36% of the target), 17,831 of which were affordable (just 6% of the target).

There are many reasons that housing production has fallen short of the state's targets. This includes the high cost of construction, high interest rates (since 2022), a shortage of public funding for affordable housing, a shortage of construction workers, and costly government exactions such as impact fees. But failures in the permitting process[14] play an outsized role in the overall housing crisis. For individual projects, it factors heavily into the timeframe and risks associated with building housing – both of which are correlated to increased costs. Permitting also helps set the overall market conditions, as housing investors have choices, and are drawn to areas where the ease to build brings reduced costs and increased certainty.



Source: California Department of Housing and Community Development (HCD). **Analysis:** Bay Area Council Economic Institute.
Note: Production is defined as completions (not permits) where a certificate of occupancy or other form of readiness was issued during the reporting year. Current housing needs are based on the Statewide Housing Plan's 6th RHNA cycle (2023-2031) and previous needs are based on the 5th RHNA cycle (2015-2023).

Over the past decade, the legislature has enacted dozens of bills to reform the permitting process to facilitate more housing. These efforts have:

- Made more land available for denser housing, including reforms to the housing element process.[15]
- Added certainty to the start of the development process by locking in the project requirements at the time of application.[16]
- Added certainty to the middle of the development process, by removing CEQA review from qualifying affordable housing projects[17] or removing local discretion in project approval (which also exempts projects from CEQA).[18]
- Added certainty to the end of the development process by requiring time-certainty on review of post-entitlement permits.[19]
- Increased oversight and enforcement of all the laws cited above.[20]

Opportunities for Permitting Reform

Despite the reforms already undertaken, many stakeholders expressed concern that further permitting reform is necessary for the state to achieve its housing production goals. Based on this input from stakeholders, and in keeping with the Best Practices in Chapter 2, the Select Committee has identified the following areas where there may be opportunity for such permitting reform:

Eliminate uncertainty in the application process

SB 330 (Skinner, 2019) vastly increased the certainty for development projects by locking in the rules at the time a "pre-application" has been "deemed complete." However, there is still uncertainty over what it takes to have a complete application, as jurisdictions have

interpreted the law differently. Additionally, when it comes to the application itself, jurisdictions have widely different requirements. Stakeholders noted that some jurisdictions had particularly onerous applications, including requiring submission of studies that typically occur well into the development process, including during the post-entitlement phase of a project.

Minimize uncertainty in the entitlement process

Entitlement permits are a local government's confirmation that a housing project conforms with local zoning regulations and design standards. They are issued by the local planning department or commission but could also require approval from such bodies as design review boards and historic preservation commissions, as well as from city councils (for cities) or boards of supervisors (for counties). Stakeholders have noted that the number of bodies involved in reviewing housing projects creates many opportunities for delays or for requirements to be applied that make projects less feasible. They also noted that housing entitlements do not have effective shot clocks, because the shot clocks that do exist (via the Permit Streamlining Act) only apply once the CEQA process is finished – and that process itself does not have a shot clock.

More broadly, stakeholders note that jurisdictions often have an antagonistic relationship with housing developers, rather than treating them as partners in a shared goal of adding housing. They note that this is inherent to local land use politics in areas where existing property owners do not benefit from new development. It is also inherent in a post-Prop 13 California where many city managers do not see a financial upside to new housing – particularly affordable housing (which does not pay property taxes).

Create more consistency across permitting entities

Many local jurisdictions have extremely complex zoning regulations and design standards. The rules and process also vary greatly from jurisdiction to jurisdiction. This level of complexity requires a deep level of expertise from project applicants – and makes it difficult to work in multiple jurisdictions, even though housing markets are regional. This level of complexity is also directly correlated with outcomes. For example, in San Francisco, where the average multifamily project takes over 500 days to permit, the zoning code is over 1,000 pages long. By contrast, in the fast-growing Central Valley city of Visalia, the average multifamily project takes about 30 days to permit, and the planning code is under 300 pages long.

Focus CEQA on environmental issues

Unless statutorily or categorically exempted, all housing projects must complete the CEQA process before they can receive their entitlement permits. This requires a local government to certify that a project proponent has studied the potential environmental impacts of the project and mitigated them to the degree feasible. However, there are no timeframes for completing the CEQA process. Additionally, any individual or organization can legally challenge the conclusions of the CEQA analysis, which means that the process is highly susceptible to being leveraged to prevent development of projects for non-environmental reasons. Both the lack of a timeframe and the ease of legal challenge greatly increase the risk involved in building housing.

Additionally, while the CEQA process is good at stopping negative environmental impacts, it is not designed to facilitate projects that are inherently good for the environment. For example, infill housing projects close to jobs, schools, and amenities need to go through the same process as housing projects that might require long commutes.

Minimize uncertainty for post-entitlement permits

Post-entitlement permits include the range of permits necessary to actually construct a project – including permits for demolition, grading, and building. Recent changes to the law have created much more certainty in this process, by requiring time-certainty on the review of these permits by local agencies and special districts. However, stakeholders noted that these same timeframes do not apply to state agencies or utilities. Stakeholders also noted that local agencies often are not able to meet the required timeframes because of

workload issues, but they do not allow third-party plan checks by licensed architects and engineers, despite the professional competency of these people to review the permits. Finally, stakeholders expressed frustration with the degree of latitude offered to building inspectors to impose their preferred approach to implementing the building code, as opposed to other code-compliant approaches.

Notable Quotes

The following quotes are emblematic of the testimony that informed this white paper. These quotes were received by the Select Committee at its four public hearings. The agendas of these hearings are available in Appendix C. Full transcripts of these hearings are available in Appendix D.

Nicholas Marantz, University of California, Irvine

"In both good times and bad, California's multifamily permitting lags far behind other economically dynamic states, including Washington, Texas, and Oregon."

"Research indicates that lower rents are associated with lower rates of homelessness and overcrowding, pointing to the important role of multifamily permitting in addressing California's homelessness crisis. And, of course, facilitating multifamily permitting is essential to meeting California's climate change mitigation and adaptation goals."

"Given all the benefits associated with facilitating multifamily housing, why does California lag so far behind other West Coast states, not to mention more laissez faire sunbelt states? First, local governments continue to impose a myriad of restrictions on multifamily housing, including flat prohibitions on its construction in most areas. Second, even in zoning districts where multifamily housing is allowed, it often requires discretionary approvals, triggering long and unpredictable permitting processes. Third, the need for discretionary approvals also triggers review under CEQA, the California Environmental Quality Act. Although the legislature has made numerous attempts to address these challenges, it has not taken sufficiently bold action to make a meaningful impact."

"Many states have environmental impact assessment laws, but CEQA is unique in its chilling effect on housing."

"To be sure, the legislature has adopted many exemptions intended to facilitate infill development, but as demonstrated in recent research that I've conducted with colleagues at UC Berkeley and UC Davis, the existing exemptions for infill development do not provide certainty for developers, and, as a result, do not effectively promote infill development. It is noteworthy that Washington State has recently exempted infill housing from state environmental review requirements, a move that is likely to further bolster its superior performance in permitting multifamily housing. Clearly identifying infill priority areas on a map and exempting multifamily housing in those areas from CEQA would significantly contribute to remedying California's severe multifamily housing shortage."

"The legislature could create a statewide permitting board for multifamily infill housing. Such a board would not preempt local rules governing housing. It would simply ensure that local rules are appropriately applied without undue delay."

"ADU laws simply make it easier to build housing without imposing additional conditions on housing development. This simple, perhaps obvious, principle should guide the committee as it works to decrease permitting timelines and increase permit applications for multifamily housing."

Mike Manville, UCLA Luskin School Department

"I think the clearest success is with respect to accessory dwelling units. After a few sort of concerted bites at the apple, California has made it much easier to build ADUs, and in a typical year now, we build about 20,000 ADUs and add them to the stock of our housing."

"Simply increasing the supply of housing will, by itself, help solve the problems that are faced by our transit agencies, our lower income residents, our workers, and so forth. Complicating the housing approval process out of a desire to make it solve these problems directly, in contrast, is not going to be very helpful."

"This is a classic collective action problem, right? Where, if every city or city elected officials behave in the way that is sort of individually rational for them, right, which is to say, adhered to the needs voiced by their loudest residents, so that they can get reelected and so forth, we will get a collectively irrational result."

Nevada Merriman, MidPen Housing

"Creating housing for California is part of every state agency's mission. But I think some of the agencies may have either lost track of this or maybe don't know that that's part of their mandate at all."

"We need prudent regulation, but we also—because we pay for work to get done—we need that, we need these groups to partner with us, not just to regulate us."

Dave Rand, Rand Pastor Nelson

"The two hallmark laws we have in California that dictate and govern the entitlement permitting process in California are the Permit Streamlining Act and the Housing Accountability Act. Those two laws set up a process with a series of steps that if you look at it, sounds like we've got everything in order. You have a completeness process and a timeframe, a code compliance review process and a timeframe, and then a timeframe to get a project approved. The problem with this system and construct is that there are big gaps and major defects that allow cities a lot of room to slow the processing of housing projects and create vast disparities in how different jurisdictions elect to process housing projects. And I'm speaking of not exotic housing projects, not your builders remedy project, I'm talking about garden variety, general plan-compliant housing projects."

"The City of Santa Monica has a very short, finite list of things that are required to file a complete housing project application. You can get deemed complete in 30 days. No problem. If you're next door in the City of Malibu, it's Dante's seventh circle of hell. It could take you three or 30 months to get deemed complete, not 30 days."

"Why don't we have a single uniform application for housing projects that covers every jurisdiction? We know you only need certain things. You need information about site conditions. You need plans of a certain type. Why can't we have a standardized form that the same information and items are required anywhere you propose to do a housing project in California? That may sound radical, but we already have a version of that that came out of SB 330 with a preliminary application. Standardized. Same information. Works really well."

"There's a statute that says 60 days from the point in time in which a CEQA determination is made, the project shall be approved. Well, that sounds great, except the CEQA determination is made, in 99 out of 100 jurisdictions, at the same time the project is actually approved. So that timeframe means absolutely nothing in practice."

"There has to be a point where the applicant can say, "Okay, City, you have everything you need. Are we good? Yes?" Sixty day shot clock now starts… There are multiple clocks, and there are multiple ways to evade all the different clocks that are in the law right now."

"There's also things that often get front loaded to this process that are inappropriate, that slow it down, that are really meant for later in the process."

"If the state functioned, from a permitting entitlement perspective, like my fellow panelist, City from San Diego … this committee would not be needed. San Diego, more than any other city in the state, has figured out how to streamline, de-risk, standardize, expedite housing, but it is in a league of its own. There are a handful of cities that operate that functionally and effectively when it comes to approving housing around the state, the vast majority of jurisdictions go slower."

"State housing law limits all city's ability to disapprove or reduce the density of General Plan zoning-compliant housing projects. But that doesn't mean it makes it go fast. So what we have in most jurisdictions is a long arc from submittal to the final end, even if that final end is largely predetermined by state law."

Tom Grable, Tri Pointe Homes

"Other states—I mentioned Texas, Carolinas, Arizona—general plan, zone change, EIRs… theirs are months, ours are multiple years. Tract maps: theirs are also months, ours are years. Building permits: theirs are weeks, ours are months. Other states, the process is consistent, reliable, and predictable."

"There's a—it's a well-known fact, you can look it up in public builders' earning statements—CEOs have actually talked about being long on land in California is actually a knock against builders in California by Wall Street. So companies' valuations decline through their stock values when they have too much in California compared to other states."

"Cities that are giving you RHNA numbers and putting designated numbers of units on specific parcels and then, on the back end, devising development standards and their zoning code to prevent that from happening. Those games are being played in cities."

"We are being subjected to the whims of inspectors who are making up their own rules on our job sites that are also adding cost and time."

"Self-certification of plans is something that's been done in other locations where cities don't have any liability over our product. We have entirely all liability, as do our consultants."

"To jurisdictions, the state, counties, and cities that we build in: we are your customers, if we could just be treated that way."

Jennifer Ganata, Communities for a Better Environment

"We must address housing by simultaneously addressing the various issues that are connected to housing and healthy community."

"We should ensure the full and timely implementation of laws and programs that are designed to reduce pollution and protect community health and ensure their consistency with the state and federal housing laws."

"The thing that we want to be able to do is actually give community input… And a lot of the processes are really set up where it's the jurisdiction and the developer, but not necessarily the people who live in the community."

Christopher Ackerman-Avila, City of San Diego

"Under Mayor Gloria's direction, San Diego is taking bold steps to expedite housing. This commitment is evident in two recent executive orders he signed mandating a 30-day review and approval timeline for all ministerial 100% affordable housing projects and Complete Communities projects. These executive orders set a new standard for responsiveness, aiming to bring critically needed housing to market with unprecedented efficiency."

"For many years, the City of San Diego permitted approximately 5,000 homes annually, well below the 13,000 units needed to meet our RHNA targets. Last year, however, the city permitted nearly 10,000 homes, a record high since at least the 1980s."

"One element that is crucial to create a sense of certainty for builders is policy implementation clarity and flexibility. Our development services department has hundreds of webinars, tutorials, information bulletins, and technical bulletins that are easily accessible to the public."

"Mayor Gloria understands that to create certainty and foster progress, our permitting framework must include flexible compliance pathways. His administration has introduced adaptable multipath criteria for projects, empowering builders to meet city requirements in ways that best suit each project's needs."

"As the state considers additional improvements to facilitating housing, cities, counties and tribes would benefit from flexible criteria. Often, bills are passed with criteria or requirements that are impossible to meet in an urban infill project, either because of cost or space or liability. With a flexible criterion that creates various pathways to being eligible or to meeting requirements, it is more likely builders can opt into a program."

"Perhaps most pressing at this time is the role of utilities. Builders report several months of delays before having utilities come electrify the building. The CPUC decision under SB 410 and AB 50 earlier this year is a step in the right direction, and we need more of that."

ELECTRICITY

Context

In 2023, California used 281,000 gigawatt hours of electricity.[21] This includes electricity produced within the state, and electricity imported from other states. The electricity consumed in California comes from a variety of sources, including fossil fuels (oil, gas, coal), nuclear power, and renewable power (hydropower, wind, solar, and geothermal).

Over the past two decades, California's use of electricity has remained largely flat, even as the state's population and economy grew. At the same time, the state's mix of resources used to generate this electricity became increasingly cleaner. For example, in 2013, coal, natural gas and other greenhouse gas (GHG) emitting resources produced nearly 60% of the electricity used in the state, whereas renewable resources such as solar, geothermal, and wind power produced 17%. In contrast, in 2023, GHG-emitting resources had been reduced to 42% while renewable resources had increased to 37% (with non-GHG sources such as hydro and nuclear producing the remainder). The use of coal to provide power has nearly been eliminated.

This transition away from polluting energy sources is the result of California's policy choices. However, California's ambitious climate goals demand even more: state law requires California reduce its overall GHG emissions to 40% below 1990 levels by the year 2030 and 85% below 1990 levels by the year 2045.[22]

To achieve these goals, the California Air Resources Board (CARB) calls for widespread electrification in nearly all sectors of the economy.[23] Vehicles and buildings will need to transition away from the burning of fossil fuels and to the use of electricity for heat and power. As a result, the state's use of electricity will increase substantially, with peak electrical load growing by almost 50% by the year 2045.[24]

However, the electricity sector is, itself, a major source of California's GHG emissions, accounting for approximately 16% of such emissions in 2022. Therefore, to meet the state's clean energy goals, the state's sources of electricity will need to become nearly carbon-free, even as the state's use of electricity expands considerably.

To successfully pull off this policy two-step, California must deploy new electricity infrastructure at a scale and speed never before seen. Solar and wind resources will need to be built and interconnected at three times the historical rate, while the rate at which battery storage facilities are installed will need to increase eightfold.[25] Production of renewable hydrogen will need to increase a whopping 1,700 times!

Just as critically, the state will need to undertake an unprecedented buildout of electricity transmission and distribution infrastructure. The California Independent System Operator (CAISO) estimates the state will need to invest $43.8 billion to $63.2 billion over the next 20 years in new high-voltage electricity transmission poles and wires to meet projected growth in demand, and to connect new supplies of GHG-emissions-free electricity generation resources to the places the electricity is needed.[26] CAISO describes lead times of eight to 10 years as "reasonable or even optimistic" for many transmission projects.[27] As transmission is the link between greenhouse-gas free electricity generation sources and the wider electrified economy, California cannot afford unnecessary delays in the permitting and operation of this essential energy infrastructure.

The permitting regime that governs energy infrastructure construction and operation is complex. Depending on type, location and scope, a project may be subject to review or approval of any of several state agencies, local government, federal land managers, branches of the United States military and tribal authorities. This is especially true of transmission projects, which, by their linear nature, are likely to cross multiple jurisdictions and a variety of sensitive lands and draw the attention of various local stakeholders.

In recent years, the legislature has sought to simplify or otherwise streamline the permitting regimes governing

construction and operation of electricity generation resources and transmission infrastructure. For example, recently enacted legislation:

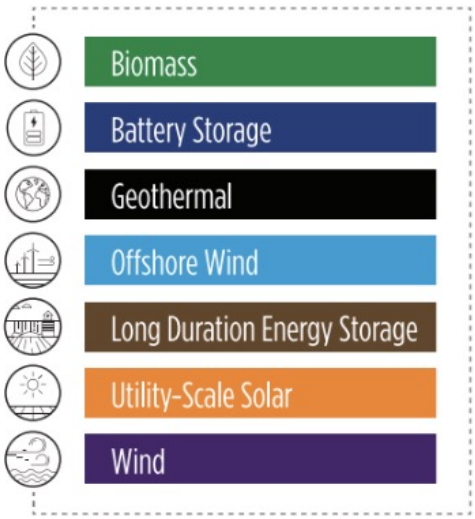
- Allows an applicant to seek permitting for certain types of clean energy projects from the California Energy Commission (CEC) instead of from local permitting authorities or other agencies, and according to an expedited permitting schedule.[28]
- Directs the California Public Utilities Commission to authorize use of an accelerated process for approval to construct an extension, expansion, upgrade or other modification to an existing electric transmission facility. [29]
- Provides expedited administrative and judicial review of CEQA challenges to certain energy infrastructure projects.[30]
- Repeals a requirement that the California Public Utilities Commission consider alternatives to a prospective transmission project before approving such a project.[31]

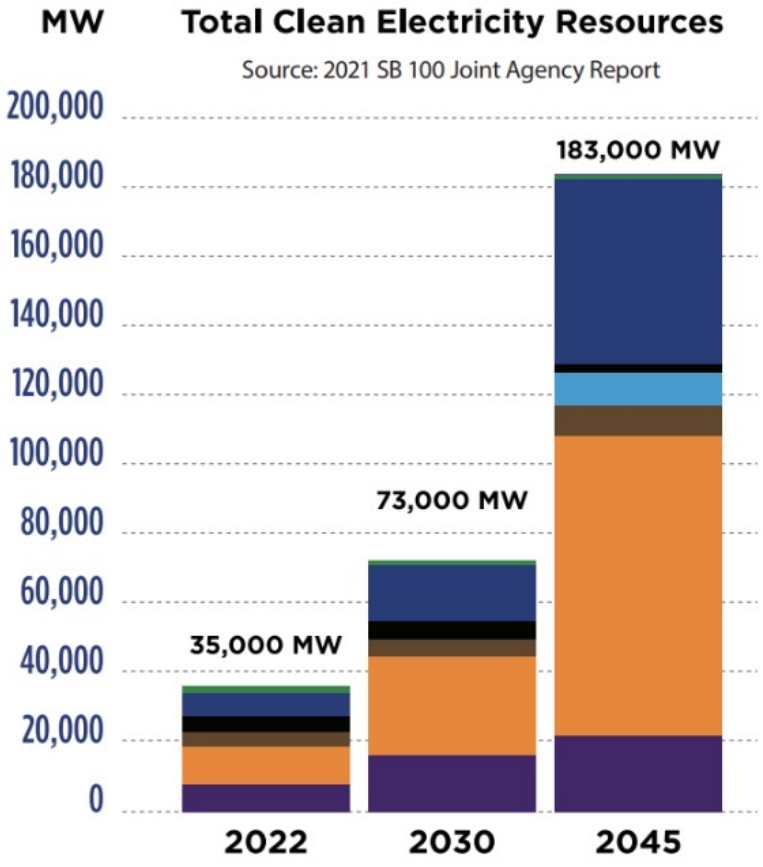
Many of these reforms are new enough that it may be too early to fully judge their effects.

Projections for California's Clean Energy Resource Needs

Totals represent new and existing resources. The 2021 SB 100 Joint Agency Report projects the need for 148,000 MW of new resources by 2045.

In addition, California also expects new capacity from energy efficiency, customer solar and demand response.





Opportunities for Reform

Despite the reforms already undertaken, many stakeholders expressed concern that further permitting reform is necessary for the state to achieve its GHG-emissions goals with relation to the production, transmission, and distribution of energy. Based on this input from stakeholders, and in keeping with the Best Practices in Chapter 2, the Select Committee has identified the following areas where there may be opportunity for such permitting reform:

Improve implementation of Assembly Bill 205

AB 205 (2022, Committee on the Budget) was a landmark bill that allowed a developer of certain types of clean energy projects to request that the CEC permit its project, in place of any local, state, or federal permit.[32] AB 205 incorporates many of the permitting best practices outlined in this document – e.g., establishing permitting timeframes (generally, 270 days), designating a project lead (the CEC), and facilitating interagency coordination. Under the terms of AB 205, local approval of key energy projects may be transferred to the CEC to meet the state's clean energy aims.

While project proponents are still very much in wait-and-see mode regarding AB 205's permitting efficacy, early feedback has been mixed. Some interview respondents said that the CEC has taken a longer-than-expected time to deem applications complete with similar onerous requirements to local permitting, while others see the value in going through the state process when local avenues have been cut off through moratoria or community opposition. One specific issue raised by stakeholders is that a local community can still effectively slow or kill a project by not allowing easements for transmission links or other necessary rights-of-way that may extend off the project site.

Facilitate conversion of fallowed agricultural land to clean energy purposes

Identifying land for clean energy projects is an ongoing challenge, as much as the state's land is already being utilized for productive use or is environmentally sensitive. One opportunity to increase land available for clean energy is in the southern San Joaquin Valley. In this area, it is anticipated that a substantial amount of farmland will be fallowed in coming years as a result of the Sustainable Groundwater Management Act (SGMA). Stakeholders in the solar industry have identified this area as particularly promising for clean energy generation, because of the amount of sun received and its proximity to viable transmission corridors. However, they have identified that conversion of this agricultural land can be complicated by factors such as Williamson Act contracts between farmers and local governments to keep the land in agricultural production. Particularly, stakeholders noted that local governments have been resistant to cancel these contracts even as the land becomes unviable for farming, and that cancellation rules are complex.

Minimize unnecessary restrictions on battery storage

Battery storage allows California to collect electricity from intermittent energy resources, such as solar and wind power, and store it for later use (when the sun is not shining and the wind is not blowing). As described earlier in this chapter, California will need significant amounts of battery storage installed at various locations throughout the state to make the most effective use of electricity produced by clean, but intermittent, energy resources.

Utility-scale battery storage is a relatively recent technological application. Understandably, many local jurisdictions may be reluctant to site large battery storage facilities within their communities, or are uncertain about how to do so safely. These concerns have been reinforced by the recent fire at the Moss Landing battery facility.

To address these concerns, some parties recommended that the state require locals to streamline local permitting of battery storage facilities and issue a statewide model ordinance for permitting such facilities. Fortunately, such work is underway. American Clean Power – a private association of various clean technology companies – issued a model ordinance, and the Governor's Office of Land Use and Climate Innovation is working with the CEC Electric Program

Investment Charge (EPIC) Research Program to develop an Energy Storage Guide.[33] This publication will help local jurisdictions standardize permitting requirements and timeframes without sacrificing important safety protections.

Reduce barriers to reconductoring

Reconductoring is the process of enhancing existing transmission lines by replacing smaller capacity wires with larger capacity wires on existing transmission poles to enhance transmission capacity. Because it uses existing rights-of-way and infrastructure, it is the lowest-impact, least-cost path to increasing statewide transmission capacity on a constrained system. These projects take up to three years to complete on average, compared to more than a decade for greenfield transmission updates.[34] Stakeholders mentioned that there could be benefits from exempting reconductoring projects from certain CPUC permitting requirements.

Facilitate alignment between local, state, and federal agencies

The linear nature of transmission lines means that multiple jurisdictions – and state and federal public lands – must be involved in the permitting of a single line. For example, according to stakeholders, San Diego Gas & Electric's 117-mile Sunrise Powerlink project required approximately 70 permits from 28 different agencies. Stakeholders identified the number of agencies involved as an inherent source of challenge in the planning process that determines where the state directs infrastructure investments. Stakeholders also noted similar concerns when it comes to the permitting procedures, timeframes, and required mitigations for specific projects – some of which could be addressed by better up front planning.

Notable Quotes

The following quotes are emblematic of the testimony that informed this white paper. These quotes were received by the Select Committee at its four public hearings. The agendas of these hearings are available in Appendix C. Full transcripts of these hearings are available in Appendix D.

Michael Wara, Woods Institute for the Environment at Stanford University

"The bad news is that the state has a very complex siting and planning process for electric infrastructure that involves close coordination, or requires close coordination, between a set of agencies and independent actors."

"We haven't had new demand in decades, in not just one generation, but several generations in California, and we need to find a way to transform the system to a zero-carbon system, because so many of the effects that we're suffering – like the safety issues with the power system in California, they'd be much less of a problem if we had less climate change."

"It's important to make one thing clear about siting reform for transmission. We don't want to do this the China way. I meet people who say, why can't we just get things done like they do in China? And the way things happen in places like that, in autocratic societies, is by running over communities, ignoring the environmental impacts of major infrastructure projects, and important to the American and the California context, worsening the legacy of structural racism that haunts so much of our energy infrastructure and the communities that have been forced to live adjacent to it."

"When we talk about the energy system, we have to be in touch with the reality of the politics around the energy system, where the investor-owned utilities are very important in the conversation. And so I think getting the incentives right for the investor-owned utilities to be really excited about reconductoring, perhaps lowering permitting barriers for reconductoring, like to the degree that there needs to be environmental analysis, really streamline that."

"At the highest level, we need to move from a reactive to a proactive planning and siting process, and we should be doing more programmatic review of this planning so that we can streamline siting of individual lines that's going to be needed after the projects make it out of the planning process."

"I want to emphasize that the state is already doing a lot to make this process better. I'd note a few prominent examples, the MOU between the PUC, the

Energy Commission and CAISO to coordinate within the existing planning process is paying real dividends. We've seen major improvements in the past couple of years at the ISO in terms of long-term planning, and I think that long-term planning is finally now integrating with the Integrated Resource Plan at the PUC to help the whole thing work better together. We've also seen major improvements in the last year in CAISO's large generator interconnection agreement process."

Steve Bolin, Lawrence Livermore National Laboratory

"There is a culture of regulation that emphasizes the need to be extra specially careful, extra perfect, that things take an incredible amount of time… I constantly ran into roadblocks in the execution of my duties by other state agencies who wanted to go slow because they wanted to get it just right. There is no such thing as just right, because the situation changes as you move along."

"We just are out of time. And if we're actually in a crisis, we actually need to act like we're in a crisis."

Marisa Mitchell, Intersect Power

"Meeting our SB 100 goal is literally a moonshot. It requires a total of 70 gigawatts of utility-scale solar, 48 gigawatts of utility-scale battery storage by 2045 by the state's own projections. And to succeed, we have to figure out how to build, on average, three times more than the fastest year we've ever built before."

"I'm a big fan of the spirit of CEQA. It's done a great job of ensuring public agencies make better environmental decisions. But looking at it in light of SGMA and agricultural land retirements, it takes a pretty inconsistent and weird view of agricultural values and impacts, because CEQA wasn't envisioned to mitigate conversion of water-constrained former croplands due to state water policy. But under current rules, CEQA analysis for a new solar project would find that a water-starved parcel of land that has an agricultural land use contract on it is incompatible with conversion to solar, resulting in a significant impact on the environment that must be mitigated or potentially isn't possible."

"In California it now takes, on average, about $100 million of capital to be invested per gigawatt of solar and battery storage generation in advance of receiving even the first of many land use and environmental permits. It's a pretty untenable sum for developers to put at risk when facing a permitting process that has so many levels of discretionary decisions by state and local and sometimes federal agencies, all of whom have different mandates and objectives, none of which is solving the climate crisis."

Robert Pontelle, Southern California Edison

"Currently, the process for planning, permitting and developing a new transmission project … takes about a decade. So with so much transmission infrastructure needed, there's simply no feasible way to achieve net zero by 2045 under that business as usual approach."

"CEQA amendments and transmission licensing reforms should recognize the unique benefits that transmission projects can provide when integrating more clean energy into the grid."

"I'd like the state to recognize that a lot of the challenges we face are federal as well, and so part of the recommendation that we would like to make is that the state, maybe, through the legislature, direct its agencies to do a better job at exploring MOUs or working relationships with folks outside of the state, like federal agencies."

Erica Martin, San Diego Gas & Electric

"The existing process for approval to construct electric infrastructure, particularly at the CPUC, is lengthy, it's duplicative, it's costly. As an illustrative example, SDG&E's Sunrise Power Link took five years for review and permitting and resulted in 70 permits from 28 different agencies."

"When it comes to the CPUC, they pick up a project and relitigate many of the issues that have already been reviewed and analyzed as part of that transmission planning process."

"The state needs to resolve which policy goal controls. Without a determination that addressing the climate crisis is a priority, it will be very difficult to obtain the necessary land rights to put the steel into the ground."

Faranak Sarbaz, Los Angeles Department of Water and Power

"When we deal with different offices, we see not consistent requirement. What I would suggest is that maybe each agency should look at their own requirements to make sure they are uniform before anything else. If one office is asking for one set of requirements, one through 10, the other one should be asking for the same thing and not more."

Erica Brand, The Nature Conservancy

"Coordinated, proactive, and strategic transmission planning that considers environmental protection, land-sparing approaches, and includes early and meaningful engagement with California Native American tribes, communities, and interested parties can support identifying priority corridors for upgrades to existing infrastructure or new transmission lines that reduce potential environmental impacts and conflicts, thereby facilitating quicker development."

"Our state needs to continue to proactively identify appropriate areas renewable energy can be built at scale and then expand the transmission capacity to those areas. An example of this is the west side of the San Joaquin Valley, where hundreds of thousands of acres of irrigated agricultural land are expected to come out of production to achieve groundwater sustainability, creating an opportunity to deploy solar as part of a suite of land-repurposing strategies."

"An important transmission planning advancement is the California Independent System Operator's 20 year transmission outlook. Now that we have this information, a 20 year look ahead at transmission needs, the state should continue to explore opportunities and supportive policies for how to make the most of having this information that will help us be able to cite and permit individual transmission projects more quickly in the future."

"The state should explore opportunities for the use of programmatic permitting approaches for upgrades to the existing system. There is precedence for the use of programmatic permits for electric transmission upgrades in California."

"Several of California's investor-owned utilities have habitat conservation plans under the Federal Endangered Species Act that include reconductoring as a covered activity. The state could also explore pilot programs to accelerate permitting of upgrades to the existing system if a right of way meets certain criteria based on the condition of the site of the existing infrastructure."

Elizabeth Huber, California Energy Commission

"That under opt in… the legislature clearly stated that we have to do an environmental impact report. So there's other CEQA documents. As you know, with transmission permitting, 65% of them actually go through a mitigated negative declaration. We have to do an EIR for everything. So we'd like you to take a look at that. I think that would help developers."

"We get applications filed where they know a biological study won't be done until, you know, two or three months later. So they know they're going to get an incomplete determination. But if we could have the authority to determine it incomplete and give them the time to do … an initial incomplete determination, so they have the time to do the studies without us having to do comprehensive analysis on other parts of that application in order to get those resources over to other projects. Because we're starting and stopping all the time because of all our different licensing and compliance programs."

"It is a lot of work, and it's a lot of frustration from the developers, because we keep asking for more and more information in order to feel comfortable in moving things to a less than significant impact. So if we had clear direction as to 'what do you really want us to look at' when we're looking at the air quality topic, the wildfire topic, the land use topic. And then what is the priority with the legislative guidance."

Corinne Lytle Bonine, AES

"Some of our biggest challenges to permitting utility scale energy projects within California are centered around unpredictability in both the schedule and cost to development, permitting, construction, and operation of these projects."

"We also want to thank and acknowledge the legislature's work on innovative solutions for the state's priority projects, such as the passage of AB 205, and we are deeply appreciative of CEC staff's efforts on these important projects and participation today. We would also like your consideration of some enhancements or clarifications to AB 205 in order to fully maximize its utility, including the CEC's ability to include issuance of things like encroachment permits, lot split mergers, franchise agreements, and Williamson Act contract cancellations as part of their AB 205 jurisdiction. We ask for stricter adherence to statutory time frames for permitting under AB 205."

"Currently projects under the jurisdiction of the Wyoming Industrial Siting Council, utilize a predetermined formula to assess their impacts to local jurisdictions and potentially impacted jurisdictions. Once a permit is approved, all of those potentially impacted jurisdictions distribute that impact fee amongst themselves under the guidance of the Siting Council. And then, in Virginia, the State Corporation Commission acts as the clearinghouse for all state agencies, gathers all comments and recommendations and implements those into their permitting efforts."

"Barring possibly New York, California by far, is the hardest, most expensive, most risky to get our permits. The length of time, the amount of analysis needed, studies performed, uncertainty throughout the process is really unmatched."

Scott Murtishaw, California Energy Storage Alliance

"Five years ago, there were only 17 utility scale installations, energy storage installations in California, and today, there are 187. Because we're like the new kid on the block compared to wind and solar, most local jurisdictions have little to no experience permitting storage projects. As storage capacity has expanded rapidly, more projects are being sited in jurisdictions that haven't dealt with these applications before and whose zoning codes and plans do not contemplate this technology. They're basically winging it."

"The lack of familiarity with the technology has, in some cases, led to delays as the planning departments or the fire departments grapple with how to evaluate these projects. Many jurisdictions such as Solano, Los Angeles, and San Diego counties have begun the process now of drafting permitting ordinances for energy storage, but unfortunately, some of these jurisdictions have imposed moratoriums on energy storage development, in some cases, for up to two years as they work to update these codes and regulations."

"One other action that the state could take is just to help educate local jurisdictions and facilitate the adoption of more uniform permitting requirements."

Lora Anguay, Sacramento Municipal Utility District

"When evaluating a potential project, it can become impossible to determine if a project will pencil out, because there's too many potential hurdles. This uncertainty, for us, has been primarily driven by the local agency approval process. This can impact both timing and cost. In regards to timing, the local agency process can take so long that agreements with project developers or contractors have schedule impacts."

"In regard to cost, the local agency approval process can also include financial conditions that are unexpected, and therefore can affect the project's financial viability and contracts with developers."

"One of the potential solutions, for example, with wind projects in particular, would be to require local agencies to establish mitigation measures for each wind resource area. Utility farms are located within wind resource areas that are pretty well known, the local agency responsible for those wind resource areas should work to identify permitting requirements ahead of project development, including mitigation measures similar to a Habitat Conservation Plan. If a developer follows the pre-determined measures, then a project should be approved."

Nataly Escobedo, Leadership Council for Justice and Accountability

"If the committee is open to exploring permit… streamlining on a project by project basis, we offer the following recommendations on how the project can provide meaningful and direct benefits to frontline communities. A project that provides a meaningful and

direct benefit to a disadvantaged, unincorporated, severely disadvantaged, and or vulnerable communities is considered meaningful and direct if it meets the following requirements. It provides a concrete, substantial, particularized and meaningful benefit to residents of these communities. The benefit is direct and assured, which means that the benefit is not incidental, indirect, or speculative. There must be a high degree of certainty that residents…of the frontline communities will receive a direct benefit that is different in kind or to a substantial degree from the project, from the project being built out."

Fernando Gaytan, Earthjustice

"We need to be very careful of the unintended consequences of streamlining and permit reform, even with projects that, under face may seem benign and are intended to address the state's climate and energy crisis, but that can have unintended consequence on already overburdened communities. We need to be mindful of not creating sacrifice zones in the name of advancing climate solutions, and we need to provide more participation, not less, for communities that have been historically marginalized, with embedding community education projects, early outreach to facilitate meaningful participation in dialogue and also language access, which is going to be really critically important in all communities, but we currently lack a process to really incorporate that into the CEQA process in a meaningful way and a uniform way across the state. And lastly, as we consider the future of CEQA, we have to remember that it's critical that in advancing equity and protecting our most vulnerable communities, we have to think about whether weakening CEQA would not only harm our environment but also deepen social injustices. Instead, we should strengthen its implementation and ensure it continues to serve as a beacon of fairness and accountability."

"If we're talking about permitting and the siting of infrastructure, the siting of the infrastructure that will facilitate that transition to clean energy, then I think we need to pause and really think about how we incorporate those communities to become co-designers of that siting that, as my fellow panelists mentioned, how do we allow communities to have a voice, a seat at the table, to ensure that we don't have the unintended consequence of putting out infrastructure that creates further harm, division, separates communities or instills, exacerbates existing harms."

Gracia Orozco, Center on Race, Poverty, and the Environment

"Tools for public engagement, meaningful public notice are vital for our communities to stay informed and improve projects. CEQA is an important example as to what can provide communities protection, but we need to go beyond CEQA for that protection and facilitating by right permitting of certain projects would only further reduce opportunities for communities to actually meaningfully engage in local government when they're facing these projects."

"We wish to emphasize that there shouldn't be streamlining for projects that would increase pollution, that would extend the life of fossil fuel industries. We need to clearly define clean energy infrastructure projects to make sure that these projects do not extend the life of polluting industries. And we need additional resources for environmental justice communities to provide input and make these projects better. We cannot use these communities as sacrifice zones for untested technologies."

WATER

Context

California's precipitation levels and runoff patterns have always been volatile and oscillated between drought and flood. However, climate change is increasing this volatility, resulting in more years with extreme conditions. For example, the state suffered from severe droughts from 2012-2016 and again from 2021-2022, whereas the record rainfall and snowpack in 2022-2023 lead to such events as the reemergence of Tulare Lake for the first time in 25 years.

Climate change is generally causing less precipitation, and is expected to reduce the state's overall water supply by about 10% by 2040.[35] Increased temperatures are causing more of the precipitation to fall as rain rather than snow – the April 1st snowpack across the Western United States declined 21% since 1955[36] – and snowpack in the Sierra Nevada could functionally disappear in most years beginning as early as the 2040s.[37] If no new adaptation measures are adopted, the delivery capacity and reliability of the State Water Project could be reduced by as much as 23% in 20 years – the equivalent of 496,000 acre feet per year, enough to supply more than 1.7 million homes for a year.[38] Changes in precipitation, reduced snowpack, and more frequent droughts are likely to increase the demand on groundwater sources, which in turn increases the risk of overdraft, ground subsidence, and decreased water quality.[39]

Water shortages have profound implications for communities, agriculture, and the environment. Lack of access to water can impede the potential for developing much-needed housing (as has already occurred on the Monterey Peninsula). Water shortages negatively impact the state's $59 billion agriculture industry. And, water shortages create a rash of environmental impacts, most acutely to fish and other aquatic species, as well as to trees and other plants that are not able to withstand the changing conditions.

While climate change generally causes less precipitation, leading to more frequent or severe droughts, flooding is still the most pervasive natural hazard in California, affecting more residents and communities than wildfires or earthquakes. Across the state, over 7 million Californians – one in five residents – live in areas at risk of flooding.[40] Every one of California's 58 counties has experienced severe flood damage, highlighting the widespread nature of this risk. And as global temperatures rise, sea levels are rising with them, bringing new risks and impacts to the coast. California's extensive coastline – spanning over 800 miles – makes the state uniquely vulnerable to the impacts of sea level rise, which is exacerbating flooding risks and threatening critical infrastructure, communities, and ecosystems.[41] California has already experienced approximately eight inches of sea level rise over the past century, but the pace is expected to accelerate dramatically after 2050. The state's 2024 guidance on sea level rise scenarios recommends planning for 1–6.6 feet of sea level rise by 2100 under high greenhouse gas emission trajectories. Approximately $17.9 billion worth of buildings could be inundated statewide by 2050 with a projected 20 inches of sea level rise.[42]

In the past, the state has responded to water volatility by, in part, requiring more efficient use of water. For example, in 2024, the state adopted the Making Conservation a California Way of Life regulation, which establishes a new framework for managing urban water use in California and is expected to save 500,000 acre-feet of water every year by 2040. California's total water use (including agriculture) peaked in 1995 and has been in steady decline ever since. Californians entered the 2021-2022 drought using about 15% less water per capita than they did entering the 2012-2016 drought. Since 1995, increased water efficiency has allowed California to add 10 million residents and nearly double its economy with only modest expansions to the state's water infrastructure.

While water conservation is necessary, it cannot fully mitigate the impacts of an overall reduction in precipitation, and the reduction of natural storage that occurs as snowpack. To fully address the threats of water shortages will require significant investment in

water infrastructure, bringing our groundwater basins into balance, restoring river systems, and improving water management. Released in August 2022, Governor Newsom's "California Water Supply Strategy – Adapting to a Hotter, Drier Future" establishes targets and priority actions for expanding recycled water, desalination, stormwater capture, conservation, and surface and groundwater storage by 2040 in order to bolster water supplies.[43] This strategy complements other planning efforts to better manage the state's water resources, such as the California Water Plan[44] and the Water Resilience Portfolio.[45] The legislature and Governor have invested billions of dollars to support the continued implementation of these strategies.

The legislature and state agencies have also undertaken actions to improve and expedite the permitting process for water supply-related projects. For example:

- Various "Cutting the Green Tape" initiatives (see Chapter 3 - Success Stories).
- To help encourage groundwater recharge projects, the State Water Board has issued temporary permits for high-flow diversions. In addition, Executive Orders N-24-23 and N-7-23 granted local agencies and landowners permission to divert floodwater onto their land for recharge without obtaining a water right, complying with CEQA, or obtaining a Lake and Streambed Alteration Agreement. These EOs were modified and codified into law in SB 122 (2023).
- SB 149 (2023) allowed the Governor to certify qualifying infrastructure projects for judicial streamlining under CEQA. In late 2023, the Governor utilized this authority to accelerate the Sites Reservoir Project, which, according to the administration, would capture water during wet seasons and store it for use during drier seasons – holding up to 1.5 million acre-feet of water, enough for 3 million households' yearly usage.[46]
- The Water Supply Strategy outlines specific implementation steps to expand the use of brackish water desalination, improve the permitting process for seawater desalination, and provide better guidance to owners or operators proposing to develop new or expanded seawater desalination facilities. In 2023, to support implementation of this action item, the State Water Board and partner agencies released the "Seawater Desalination Siting and Streamlining Report to Expedite Permitting" report.

Many of these reforms are new enough that it may be too early to fully judge their effects.

Opportunities for Permitting Reform

Despite the reforms already undertaken, many stakeholders expressed concern that further permitting reform is necessary for the state to achieve its climate resiliency objectives with relation to water storage, conveyance, and flood control. Based on this input from stakeholders, and in keeping with the Best Practices in Chapter 2, the Select Committee has identified the following areas where there may be opportunity for such permitting reform:

Eliminate uncertainty in the application process

Permitting timelines within agencies generally do not start until the application is "deemed complete" by the regulatory agency. Stakeholders seeking permits identified challenges in completing applications for water-related projects. For example, at times applicants were not clear exactly what information was necessary for an application to be deemed complete. Additionally, there can be inconsistencies in the application process within regional offices of the same agency. Finally, in the common occurrence when permits were required by multiple agencies, stakeholders had to provide similar information in ways that were different enough that they required substantial additional work.

Enhance interagency coordination and consistency

Water projects are often extremely complex, requiring review from multiple agencies that provide their own unique role and perspective. For example, flood control and water management projects may require permits from the Department of Water Resources, Department

of Fish and Wildlife, the State Water Resources Control Board, Regional Water Quality Control Boards, US Army Corps of Engineers, California Coastal Commission or the Bay Conservation and Development Commission, local municipal governments, and local special districts. Groundwater recharge projects may also require permits from multiple agencies. Stakeholders identified lack of coordination between permitting agencies, and lack of a project manager overseeing the regulatory response, as a barrier to timely permitting. (By contrast, the Bay Restoration Regulatory Integration Team (BRRIT) was cited as a role model for interagency coordination). This problem is particularly acute when permitting agencies need to resolve internal disagreements that otherwise can lead to lengthy delays or even contribute to project failure. This challenge can be exacerbated when permits are handled sequentially and when agencies further down the permitting chain seek project modifications or mitigations that conflict with or complicate previous decisions. Stakeholders also identified issues with permitting duplication – particularly when dealing with entities at different levels of government (federal, state, and local) tasked with reviewing the same aspect of a project.

Create distinct permitting pathways for drought resilience and flood risk reduction projects

According to stakeholders, state agencies often treat drought resilience and flood risk reduction projects with the same level of scrutiny and reticence as they do public and private projects that have no nexus to climate resilience, like roads and shopping centers. Exceptions have recently been made for habitat restoration projects, which are now classified separately under certain policies – such as the Cutting the Green Tape Initiative under the California Natural Resources Agency and the CEQA Statutory Exemption for Restoration Projects (SERP). Stakeholders have conveyed that such exceptions should be afforded to drought resilience and flood risk reduction projects. Given the complexity and wide-ranging geographic and environmental implications of these projects, any such exception should ensure that it minimizes potential harmful impacts.

Notable Quotes

The following quotes are emblematic of the testimony that informed this white paper. These quotes were received by the Select Committee at its four public hearings. The agendas of these hearings are available in Appendix C. Full transcripts of these hearings are available in Appendix D.

Newsha Ajami, Lawrence Berkeley National Laboratory

"We live in a world governed by 19th century laws supported by 20th century infrastructure, all the while facing the unique challenges of the 21st century. Our institutions, governance structure, and financial tools were designed to address the realities of the past, not the complex and dynamic issues we encounter today."

"Despite its importance as a tool for protecting air and water quality and for mitigating impacts to protected species and ecosystem, the environmental permitting process is widely recognized to be inefficient and marked by delays."

"At any given time, at least 12 entities have responsibilities over water supply. Another 12 oversee water quality management, and seven are in charge of flood control."

"For larger projects, the complexity increases because multiple permits are typically required, necessitating engagement with several agencies, each governed by different authorization regulations. Each agency has a specific application procedure, forms, and timelines, which can vary even within different regions of the same agency. Additionally, the permits are sometimes interdependent, meaning one agency must wait for another permit to be issued before making their decisions."

"Innovative climate solutions, such as nature-based solutions, multi-benefit strategies, circular economy models, and integrated sector synergies, such as including thinking about water, energy, and transportation and carbon as a synergistic strategy, offers substantial potential for creating a more climate resilient and equitable future. However, the implementation of these solutions is often hindered by the complexity of existing permitting processes."

"We live in a digital era. Our permitting process lives in the analog era."

Sahrye Cohen, US EPA

"The challenge for regulatory agencies is to be able to quickly adapt to address sea level rise and climate resiliency needs while serving the whole public."

"We found that when combining experienced regulators with permitting efficiencies and streamlining tools produces increased results."

"There is not one way to get to a climate resilient future. Really it's a 'yes, and' situation that requires multiple solutions, collaborative permitting, streamlined solutions, and leadership that understands risk and uncertainty and supports agency staff and managers who are making the necessary paradigm shifts and on the ground changes."

Len Materman, OneShoreline San Mateo County

"Our permitting regime does not recognize the societal value of building climate resilience, and it is rooted in 50-year-old laws."

"Current permitting regime allows private and public agency development right up to the water's head, not near shore in the water. This makes it much more difficult and costly to build resilience, especially resilience that utilizes natural infrastructure."

"Our resiliency requirements at the local level are more difficult to enforce when state permits don't support them."

"We know that climate change is not waiting for a permit, and we need a state permitting regime that can meet this moment."

"The permitting regime is about restoring historic conditions… But a lot of those historic conditions are just going to be underwater. And so I think we as a society need to be building a habitat for 2050, not a habitat for 1975."

John Bourgeois, Valley Water

"We would like to see some performance criteria set aside for the agencies. We have performance criteria set on us. We would like to see them held to that too. And they will tell you that, yes, you know, we have so much time to issue a permit. There's a loophole there though, because their clock doesn't start until they deem the application complete. And so what happens is we constantly get requests for more information and sometimes it just feels like, yeah, bring me another rock, right? And that delays the timeline."

"I think where jurisdictions overlap, agencies should accept the same mitigation packages."

"Sea level rise isn't waiting for a permit, right? We are. And the longer we wait, the longer it's, the harder it's going to be for … some of these nature-based solutions, to catch up."

"All of our policies were developed to prevent people from filling the bay, but now we're trying to fill the bay for habitat purposes. It's still a loss of waters, and so we have to mitigate even though all the science documents say this is how you should build a marsh."

Ellen Hanak, Public Policy Institute of California

"The Governor's strike team that he set up for the storage project seems to be working in that same way of like getting the different agencies together so that they can work it out."

"Why should hazard fallowing on a farm not require a permit, but if there's smart, organized fallowing to do something good that has to go through CEQA?"

"If you want to opt out of Williamson Act, you have 10 years where you gotta wait. And I don't think everybody who's going to have to take land out of production is going to have 10 years to wait."

Sarah Woolf, Water Wise San Joaquin Valley

"We submit applications for permits and hear nothing. There's no time frame. There's no response time. We have submitted millions of dollars…in fees, and yet we don't know if our application is even acceptable to be submitted for many years in many cases."

"We have a timeline to meet on groundwater management, and we will not meet those timelines if we're waiting on permits."

"The diversion windows are askew and not in line with climate change. We're having a lot later flood events, and the window of opportunity for diversions is January through March."

Matt Dias, California Forestry Association

"If you're doing commercial work or noncommercial work on non-federal lands, you do have permitting through the resources agency, stream bed alterations permits being one of them. You do have WDRC, Cal EPA, and you do have permitting through CAL FIRE. Those timelines do not all coalesce. The information needs are not exactly same, but they're very close. And so I think that there's a way to look at that process and come out the end with something that's more coalesced, timely, and efficient."

"There's certain agencies that have regions within them and have different permitting under the same authorities for the same types of projects, but at the same time, we have statewide agencies that have oversight of those agencies that have programmatic statewide permitting mechanisms. Why could we not think about looking at statewide programmatic coverage for permitting that meets all the needs across the board, and kind of not…usurp the regional authorities for inspection and compliance, but build a statewide umbrella program that inspection and compliance is working underneath."

Nataly Escobedo, Leadership Council for Justice and Accountability

"I think one thing that we saw recently that was really exciting in the recharge context, and on the topic of like agencies coordinating better right now, the Department of Water Resources working with the State Water Resource Control Board to essentially map where best sites for recharge, and in being able to do that mapping, we've also provided a lot of comments around incorporating groundwater quality, so we can also map where we can do it safely. So there, I think there are options on like the back end to be able to address some of those slowdowns that we sometimes see."

TRANSPORTATION

Context

The transportation sector is California's largest producer of greenhouse gas (GHG) emissions, accounting for nearly 40% of total emissions.[47] Three-quarters of that amount comes from personal vehicles. Overall, Californians drive 317 billion miles annually – an average of 11,740 miles per registered driver.[48]

While transportation produces the most GHGs, the state has achieved a 25% decline in transportation-related emissions since their peak in 2006. These gains have come from the uptake of zero-emission vehicles (ZEVs), which have gone from 0% of vehicles on the road in 2010 to 5% in 2024, and now represent over 25% of new vehicles sold.[49,50] An Executive Order from Governor Newsom establishes the goal that 100% of all new passenger vehicle sales in California be ZEVs by 2035.[51] The growth in ZEVs has been facilitated by efforts to make it very easy to receive a permit for an EV charging station (as highlighted as a success story in Chapter 3).

Despite the transition to ZEVs, for the foreseeable future a high percentage of personal vehicles will still be GHG-emitting. It is for this reason that reducing the vehicle miles traveled (VMT) below 2019 levels by 30% by 2045 is necessary for the state to meet its net-zero GHG emissions goal.[52] Meeting these targets requires shifts in land use (e.g., increasing infill housing) and shifting trips from personal vehicles to "alternative" modes of transportation, such as walking, biking, scooting, and transit (including buses, trams, trains, and ferries). While CARB's scoping plan does not specify a target for such mode shift, it does cite the California Transportation Plan, which calls for an increase in active modes of travel and transit from the current level of 13% to a level of 23% of all travel trips, in order to increase health benefits and reduce vehicular fatalities. [53]

Transit projects are typically proposed by a county transportation agency or multi-county transit district. In order to alter the streets, these projects must get the permission of the city governments that have jurisdiction over the local streets. This permission includes a range of different permits, including easements, utility relocation, tree removal, and signal modification. In contrast to transit projects, pedestrian and bicycling projects are typically proposed by the same local government that issues the permits. As such, those projects typically have an easier time receiving permits (though may still be subject to CEQA challenges).

To facilitate the development of projects that facilitate alternative modes of transportation, the legislature has passed several reforms, including:

- Exempting from the requirements of the California Environmental Quality Act, until 2030, specified transit, bicycle, and pedestrian projects.[54]
- Requiring Caltrans to adopt a streamlined encroachment permit review process for complete streets facilities, including pedestrian, bicycle, and transit facilities sponsored by local jurisdictions or transit agencies, with the goal of enabling Caltrans to act on an application within 60 days of receipt.[55]
- Expediting administrative and judicial review of certain public and private infrastructure projects that advance transportation-related projects that help achieve the state's climate goals, build toward an integrated, statewide rail and transit network, or invest in networks of safe and accessible bicycle and pedestrian infrastructure.[56]

Many of these reforms are new enough that it may be too early to fully judge their effects.

Opportunities for Permitting Reform

Despite the reforms already undertaken, many stakeholders expressed concern that further permitting reform is necessary for the state to achieve its GHG-emissions goals with relation to transportation. Based on this input from stakeholders, and in keeping with the Best Practices in Chapter 2, the Select Committee

has identified the following areas where there may be opportunity for such permitting reform:

Increase consistency across local permitting entities

Because of their linear nature, transportation projects often cross multiple jurisdictions. The transportation agency proposing the project is typically different than the local agency with land use authority. This means that transportation agencies have to negotiate the design and mitigation with multiple jurisdictions at the same time, with each jurisdiction requiring its own design and mitigation choices. While such choices may make sense at a local level, stakeholders noted that they can severely impair projects – for example, a bus rapid transit project will not be able to effectively serve its ridership if one jurisdiction refuses to cede travel lanes, thereby imperiling the efficacy of the whole project. Also, stakeholders noted that the simultaneous negotiations with multiple jurisdictions, coupled with a lack of timeframes for permitting review, can result in a perverse incentive for the jurisdictions to be the last to permit the project, which provides leverage to extract additional benefits from the project sponsor that may be unrelated to the project itself.

Additionally, stakeholders noted that it is often not clear that local government's design standards merit lengthy and discretionary review. For example, L.A. Metro's Office of the Inspector General conducted an analysis of design standards for 11 cities along the alignment of the Southeast Gateway Line light rail project and found that 99.5% of local standards are equivalent or less stringent than L.A. Metro's internal design standards. Therefore, discrete review of design standards by these local governments may be duplicative, unnecessary, lengthy, and expensive.

Remove inefficiencies in repeat engagements

In larger cities, transit agencies will frequently need to receive permission from the local jurisdiction. Additionally, some types of transit-supportive projects, like bus shelters, will need individual permits even though the execution of the project is largely similar each time. Stakeholders identified that such repeat engagements could benefit from increased standardization in process and desired outcomes. An example of where this issue has been addressed is in the Master Cooperative Agreement (MCA) between L.A. Metro and the City of Los Angeles. The MCA ensures ongoing direct channels between the two entities at the executive and project-specific levels, and has established design standards that can be applied to recurrent projects. Stakeholders shared that this MCA takes months off of project timelines.

Create distinct permitting pathways for important transit projects

Large-scale transit projects – which generally are designed for the primary purpose of limiting greenhouse gas emissions and creating economic opportunity for disadvantaged populations – are often put through the same permitting scrutiny as private development. This occurs at both the local level and within state agencies, as there are few carveouts outside of SB 922. Stakeholders identified multiple areas where onerous permitting processes limit the state's ability to make investments in sustainable transportation networks, including heavy rail lines in high-risk situations (e.g., flooding or coastal bluff erosion) and ferries. Stakeholders also identified that the CEQA documentation for these projects often requires study of alternatives or mitigations that would significantly reduce operability and financial feasibility. With no limit on the number of alternatives allowed for study, environmental review periods are elongated, and time and money are spent to study infeasible alternatives.

Notable Quotes

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Juan Matute, UCLA Institute of Transportation Studies

"Transit ridership is dependent on providing safe, reliable, and frequent transit. Permitting plays a role in each of these. Bus shelter quality and quantity in Los Angeles lagged far behind other cities that they studied, because obtaining a permit for a single piece of street furniture, including bus shelters, required approval from the city council, public works, and eight other city agencies, and nearby property owners."

"Transit-only lanes or bus-only lanes in congested areas are a key policy measure, as is transit signal prioritization. Both require a combination of intergovernmental coordination and permitting coordination."

"Bus rapid transit offers a rail-like transit service, quality experience at a fraction of the capital cost. But bus rapid transit projects in California have been plagued by community opposition and permitting delays. So there are a few successful examples: Van Ness in San Francisco and the Orange Line, or G-Line, in the San Fernando Valley are two successful examples of BRT. But a line between North Hollywood and Pasadena that has been delayed and reduced in quality and scope is an example of the local process getting in the way of what would serve regional transit passengers."

Laura Tolkoff, SPUR

"Our collective responsibility here is to show the rest of this country that California can get things done. The permitting framework is one of several pain points prone to driving up delays and costs and lowering project quality for active transportation and transit projects."

"While CEQA is a critically important law for protecting against projects that are harmful to the environment and human health, it also has falsely treated all projects as inherently bad for the environment, even those that reduce emissions …In 2024 the legislature expanded the exemption to zero emission rail projects, and we see this as really great steps in the right direction, because the good news is that this exemption from CEQA works."

"Cities and states can place burdensome requirements on the project in order to gain approval in ways that are not only costly but also damaging to the project's effectiveness."

"Local and state agencies sometimes impose arbitrary and subjective requirements on projects, and those requirements change from city to city. So as an example, the Coastal Commission required the Monterey Salinas Transit Agency, for their project that goes across three different cities in Monterey County, the Coastal Commission required them to paint a roadway to match the sand dunes to protect the viewshed, a requirement that is not only expensive and arbitrary, but also illegal under federal law."

"When we have different requirements for different projects across each city, from staff person to staff person, we end up with a very opaque and challenging review process that leads to delays of months, if not years. With that in mind, we recommend that the legislature improve transparency by requiring local governments and state agencies to clearly and publicly post their policies and requirements necessary to gain approval and standardize those as much as possible."

"There are disparities in how different types of transportation projects are treated in the current regulatory structure. Transit projects often face barrier after barrier when highway expansion projects have relatively smooth sailing by comparison. The MST project to construct a busway along an abandoned rail line in the coastal zone was required to explore 18 different designs and fill 70 different requirements and conditions. By comparison, a project to widen a bridge in the coastal zone in San Diego had only eight requirements placed on it."

"California has made it very easy to build projects that are harmful to the environment and public health, but nearly impossible to build projects that are helpful to the environment and public health."

Rose Casey, Orange County Transportation Authority

"Regulatory permitting agencies need to differentiate how they process public infrastructure versus private development projects. Entities that issue permits do not have a thorough understanding of transportation

projects, and there is no larger entity to direct single decision-making processes."

"There would be benefit from more coordinated permitting across state and local agencies. A previous executive order from Governor Newsom created a strike team to work across state agencies to help maximize funding for infrastructure projects throughout the state. A strike team or a similar task force could be used to identify permitting issues and solutions related to transportation infrastructure projects. Also an MOU could perhaps be established to facilitate collaboration between the OCTA, CalSTA, and the Natural Resources Agency, which oversees the California Coastal Commission and others, to efficiently manage permitting and regulatory processes for a specific project within the coastal zone. There could be introduction of a one federal decision-style process to streamline the review and approval of transportation projects involving multiple agencies, reducing time and redundancy. So this could include designating a lead state agency to oversee the entire permitting process, the setting of clear timelines and milestones, because we need permit approval certainty and interagency coordination procedures."

"What the coastal rail resiliency efforts have highlighted is that there should be recognition of high-risk situations that are not yet emergencies. Imminent threats should be handled more as emergencies and not through the typical processes."

Carter Rubin, Natural Resources Defense Council

"We are simply not building the clean transportation system at the scale and speed that we need to reach our climate goals."

"The legislature has already taken steps to streamline more environmentally friendly transportation projects."

"If a local government wants to build a new bike path or dedicated bus lane that crosses a state highway, that city needs to obtain an encroachment permit from Caltrans…This encroachment permit process can be fraught and take six months to a year to navigate. Caltrans has been known to come back to a city with hundreds of comments on projects, even projects that touch as little as a few hundred feet of Caltrans right-of-way…Because those comments that Caltrans comes to cities with are often sourced from various different teams within Caltrans, they often directly conflict with one another, so the city struggles to resolve them."

"We'd be in much better shape having Caltrans working alongside cities as an enthusiastic collaborator on transit and safety improvements on surface streets that Caltrans owns. Thankfully, SB 60 from Senator Wiener was signed into law this past session and will begin to address this issue."

"Instead of being an environment where the local government is saying, 'Great, it's a new transit project, how can we get this done ASAP?' It sort of just becomes a Christmas tree to hang stuff that they want to add to their community on."

Endnotes

1. Information from Department of Housing and Community and Development's APR Dashboard, Slide 2: Annual Progress Reports - Data Dashboard and Downloads | California Department of Housing and Community Development
2. Chapple et al, Implementing the Backyard Revolution: Perspectives of California's ADU Owners, UC Berkeley Center for Community Innovation, April 2021, Table 3: 3. https://www.veloz.org/ev-market-report/
4. See Executive Order N-79-20.
5. New ZEV Sales in California.
6. GoBIZ-EVCharging-Guidebook.pdf
7. *Ibid*
8. Transforming Environmental Restoration: Progress on the Cutting Green Tape Initiative
9. CoC_PopSub_State_CA_2024.pdf
10. CHP_Who-Can-Afford-to-Rent-2024.pdf
11. The Fed - Greater Wealth, Greater Uncertainty: Changes in Racial Inequality in the Survey of Consumer Finances
12. 3rd Quarter California housing affordability
13. https://statewide-housing-plan-cahcd.hub.arcgis.com
14. As mentioned in the Introduction chapter, this white paper takes a broad definition of the concept of a "permit" to include any decision point where a government body must grant permission to let a project proceed.
15. This includes reform to the housing element process (e.g., SB 828 (Wiener, 2018, which resulted in the state's jurisdictions to plan for 2.5 million new homes in the 6th housing element cycle, up from 1.2 million in the 5th cycle), facilitating affordable housing on surplus public land (e.g., AB 1486 (Ting, 2019)), increasing the allowed density on existing residentially-zoned land (e.g., SB 1069 (Wieckowski, 2016) and AB 2299 (Ting, 2016), which allowed Accessory Dwelling Units (ADU) by right on residentially zoned land, SB 9 (Atkins, 2021), which allowed duplexes on all)), and allowing housing on certain commercially-zoned land (e.g., AB 2011 (Wicks, 2022) and SB 6 (Caballero, 2022)).
16. SB 330 (Skinner, 2019).
17. E.g., AB 1449 (Alvarez, 2023)
18. E.g., all the ADU bills mentioned above, SB 35 (Wiener, 2017), and AB 2011 (Wicks, 2022).
19. E.g., AB 2234 (R. Rivas, 2022).
20. E.g., AB 72 (Santiago, 2017), which enabled the Department of Housing and Community Development to oversee a range of housing laws, including the Housing Accountability Act.
21. Total_System_Electric_Generation_2009-2023_with_totals_ada.xlsx
22. See California Health and Safety Code section 38500 et seq.
23. 2022 Scoping Plan for Achieving Carbon Neutrality
24. *Ibid*
25. SB 100 Joint Agency Report
26. https://www.caiso.com/documents/2024-20-year-transmission-outlook-jul-31-2024.pdf.
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