

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

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.”

Typically, 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.

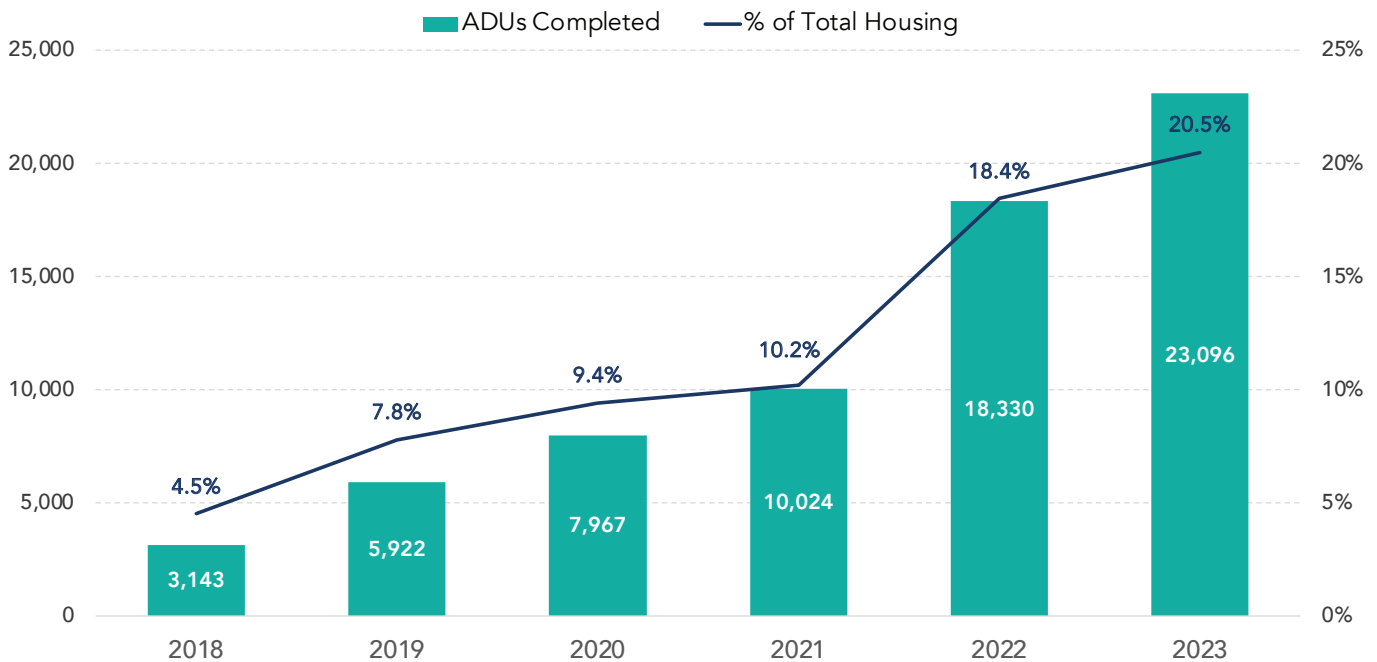
Success Story #1 – Accessory Dwelling Units

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 activity 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 expeditors, 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:

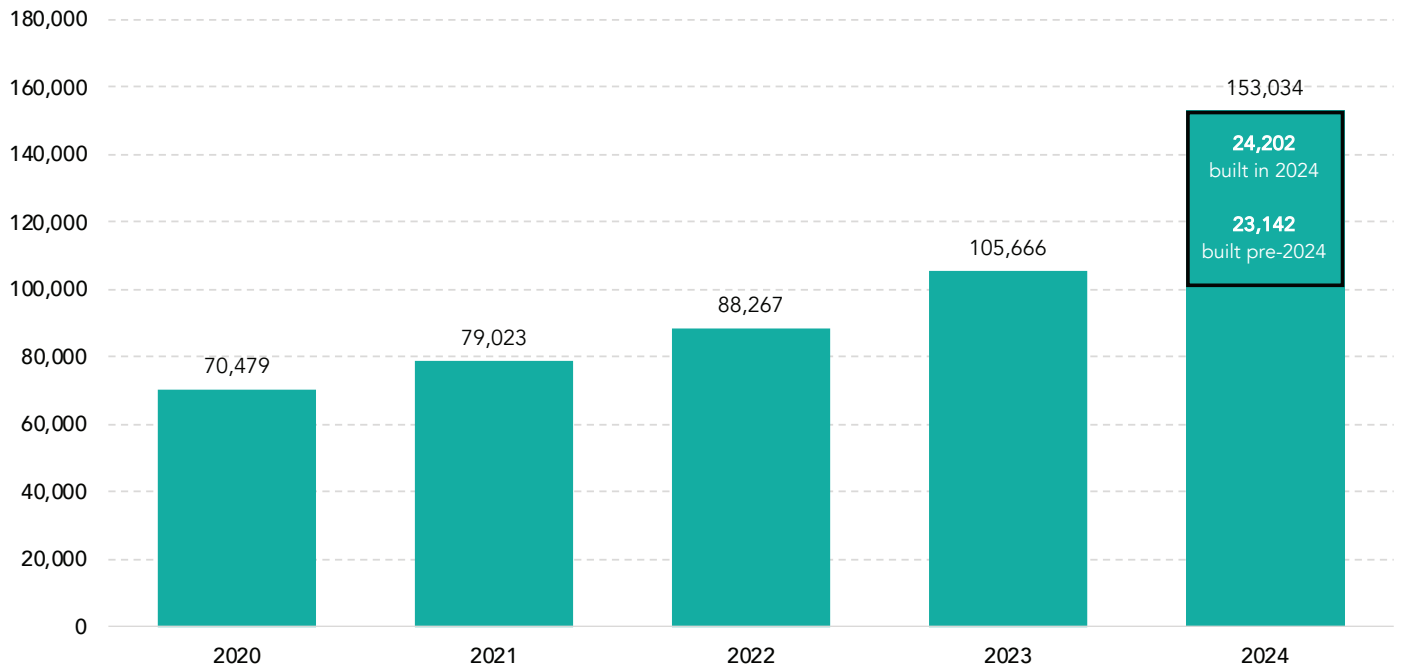
- AB 1236 (Chiu, 2015) requires all California cities and counties to develop an expedited, streamlined permitting process for electric vehicle charging stations. Additionally, jurisdictions must post a checklist with application requirements for expedited review. Projects meeting this standard are subject 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 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 (PWP) 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 PWP 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

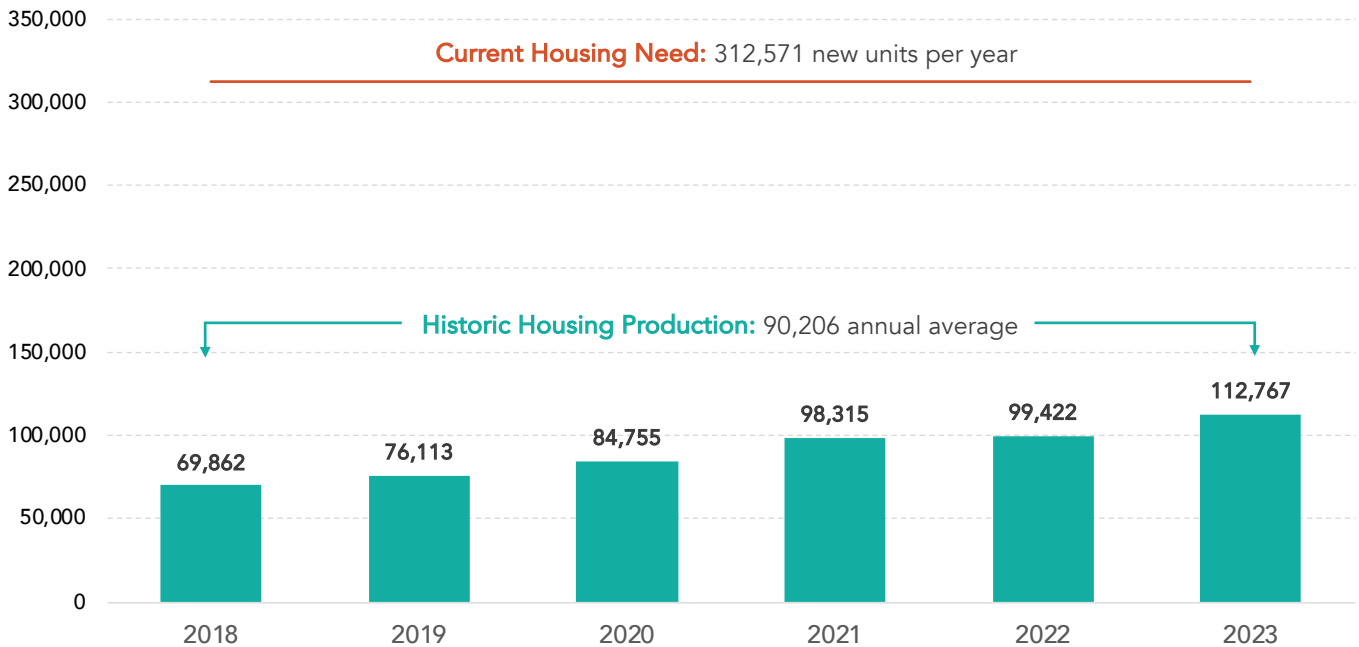
California has a housing crisis. Shelter is a fundamental need for all people, and yet every night 187,000 Californians lack a home to call their own.⁹ Millions more struggle to maintain their shelter, as 80% of our state's low-income residents must sacrifice other essential needs (e.g., food and health 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 process¹⁴ 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.

Statewide Housing Production vs. Current Housing Needs



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 projects¹⁷ 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

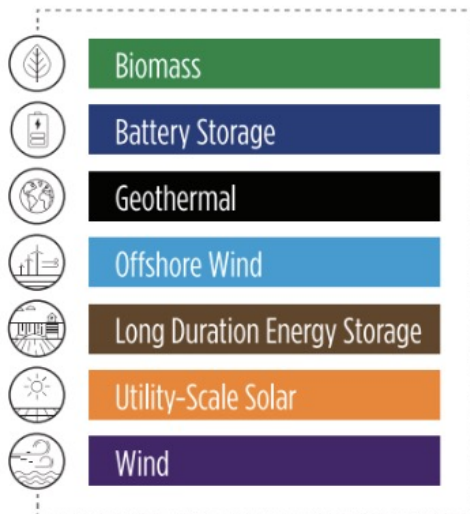
- Provides expedited administrative and judicial review of CEQA challenges to certain energy infrastructure projects.³⁰
- Repeals a requirement that the California Public Utilities Commission consider alternatives to a prospective transmission project before approving such a project.³¹

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

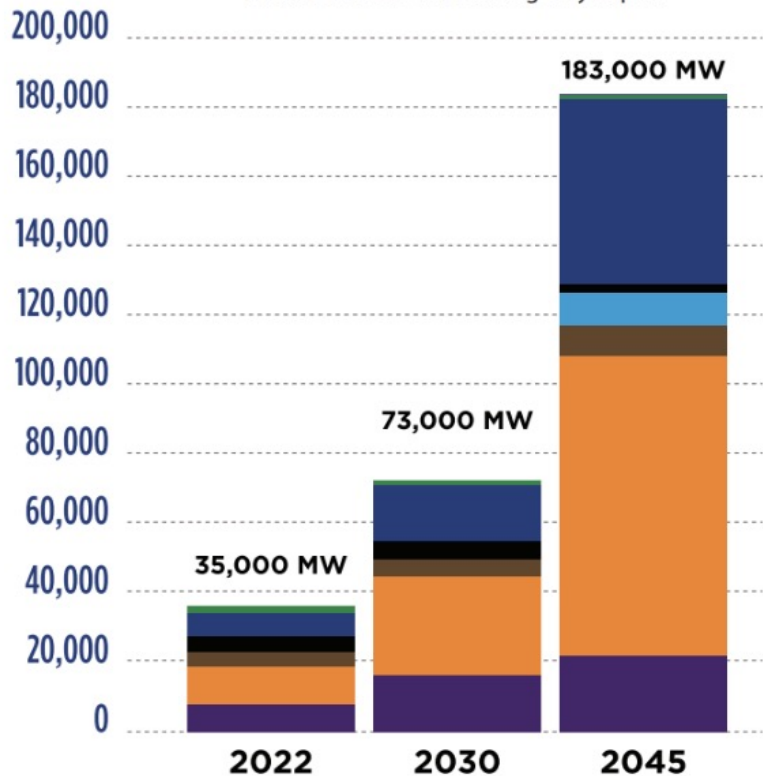
Totals represent new and existing resources. The 2021 SB 100 Joint Agency Report projects the need for 148,000 MW of new resources by 2045.

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



MW Total Clean Electricity Resources

Source: 2021 SB 100 Joint Agency Report



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 1955³⁶ – 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 Plan⁴⁴ 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 following on a farm not require a permit, but if there's smart, organized following 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

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.

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>.
27. <https://www.caiso.com/documents/2024-20-year-transmission-outlook-jul-31-2024.pdf>, page 2
28. AB 205 (2022), SB 1420 (2024)
29. SB 529 (2022)
30. SB 149 (2023), SB 1420 (2024)
31. AB 2292 (2024).
32. See Assembly Bill 205 (Committee on the Budget), Chapter 61, Statutes of 2022 for details, including the specific types of projects eligible for consolidated permitting by the CEC.
33. Electric Program Investment Charge Program - EPIC | California Energy Commission
34. Accelerating transmission capacity expansion by using advanced conductors in existing right-of-way | PNAS
35. California's Water Supply Strategy Aug 2022
36. Climate Change Indicators: Snowpack | US EPA
37. Managing Water Resources in a Low-to-No-Snow Future – Berkeley Lab News Center
38. New Report Estimates Potential Water Losses Due to Climate Crisis, Actions to Boost Supplies
39. Climate Change Basics
40. Floods in California - Public Policy Institute of California
41. Sea Level Rise in California - Public Policy Institute of California
42. State Key Findings - California Climate Change Assessment
43. California's Water Supply Strategy Aug 2022
44. California Water Plan Update 2023
45. Water Resilience Portfolio
46. Governor Newsom Streamlines Major Water Storage Project | Governor of California
47. GHG Emission Inventory Graphs | California Air Resources Board
48. [hpms2023-prd-final.pdf](https://www.arb.ca.gov/ghg/hpms2023-prd-final.pdf)
49. Light-Duty Vehicle Population in California
50. New ZEV Sales in California
51. Light-Duty Vehicle Population in California
52. 2022 Scoping Plan Update, page 194
53. 2022 Scoping Plan Update, page 176
54. SB 288 (Wiener), Chapter 200, Statutes of 2020 and SB 922 (Wiener), Chapter 987, Statutes of 2022.
55. SB 960 (Wiener), Chapter 630, Statutes of 2024.
56. SB 149 (Caballero), Statutes of 2023.

Appendix A

Assembly Select Committee on Permitting Reform Committee Membership

Assemblymember	D/R	District	Home	Committee Chair
Buffy Wicks (Chair)	D	14th	Oakland	Appropriations
David Alvarez	D	80th	San Diego	
Isaac Bryan	D	55th	Los Angeles	Natural Resources
Diane Dixon	R	72nd	Newport Beach	
Juan Carrillo	D	39th	Palmdale	Local Government
Heath Flora	R	9th	Ripon	
Tim Grayson	D	15th	Concord	Banking and Finance
Ash Kalra	D	25th	San Jose	Judiciary
Cottie Petrie-Norris	D	73rd	Irvine	Utilities and Energy
Sharon Quirk-Silva	D	67th	Fullerton	Budget - State Administration
Blanca Rubio	D	48th	Baldwin Park	
Christopher Ward	D	78th	San Diego	Housing & Community Development
Jim Wood	D	2nd	Healdsburg	

Appendix B

Organizations interviewed by Assembly Select Committee on Permitting Reform August 2024 – December 2024

AC Strategies
AES
Alameda Labor Council
Alpine
American Clean Power
American Institute of Architects
American Planning Association
Association of California Water Agencies
Association of Environmental Professionals
Bay Area Air Quality Management District
Bay Area Building Industry Association
Bioenergy Association of California
BizFed LA County
BRIDGE Housing
Brownstein Hyatt Farber Schreck, LLP
Building and Construction Trades Council
Building Industry Association of Southern California
CA Assembly, Local Government
CA Assembly, Utilities and Energy
Cal Chamber
Calforest
California Coastal Commission
California Council for Environmental and Economic Balance
California Department of Fish and Wildlife
California Department of Toxic Substances Control
California Energy Storage Alliance
California Environmental Justice Alliance
California Environmental Protection Agency
California Farm Bureau
California Independent System Operator
California Municipal Utilities Association
California Natural Resources Agency
California Nevada Cement Association
California Special Districts Association
California State Association of Counties

California State Water Resources Control Board
California Transit Association
California Wind Energy Association
Central Valley Air Quality Coalition
CityView
Clean Air Task Force
Clean Tomorrow
Conservation Strategy Group
Cox Castle
Douglass Emmett
Earthjustice
East Bay Leadership Council
East Bay Municipal Utility District
East Bay Regional Parks District
Eden Housing
Environmental Defense Fund
Environmental Health Coalition
Environmental Impact Center at the NYU
Five Lakes Energy
Forrest Environmental Law
Glydways
Heirloom Carbon
Heller Manus Architects
Holland & Knight
Housing Action Coalition
Housing California
Intersect Power
Kilroy Realty
KP Public Affairs
LA Chamber
LA Streets for All
Large Scale Solar Association
Lawrence Berkeley National Laboratory
Leadership Counsel for Justice and Accountability
League of California Cities
March Capital Fund
Mercatus Center at George Mason University
Midpeninsula Regional Open Space District
Monterey-Salinas Transit
Natural Resources Defense Council
NYU Transit Cost Center
Office of Governor Gavin Newsom
Orange County Transportation Authority

Pacific Merchant Shipping Association
Permit Power
Planning and Conservation League
Port of Long Beach
PPIC
Rhoades Planning Group
Rural County Representatives of California
Sacramento Municipal Utility District
San Diego Gas & Electric
San Jose Chamber of Commerce
Save the Bay
Sierra Club
Siting Clean Collaboratives
Southern California Public Power Authority
SPUR
Stanford Woods Institute for the Environment
Sustainable Conservation
Tesla
The Coalition for Renewable Natural Gas
The Michaels Organization
The Nature Conservancy
Tri Pointe Homes
UC Berkeley Center for Law, Energy, and the Environment
UC Berkeley Institute for Transportation Studies
UC Davis
UC Davis Institute of Transportation Studies
UC Irvine
UCLA Institute of Transportation Studies
United Contractors
Valley Water
WateReuse
Youtopian

Appendix C1

Informational Hearing of the Assembly Select Committee on Permitting Reform

“Understanding the Permitting Impediments to Addressing the Housing and Climate Crises”

California State Capitol, Room 447

Tuesday, June 18, 2024

9:00am-12:00pm

AGENDA

- I. **Opening Remarks from Chair Wicks and Select Committee Members**
- II. **Perspective from Academic Experts**
 - a. Housing: Nick Marantz, Associate Professor of Urban Planning and Public Policy, University of California, Irvine
 - b. Clean Energy: Michael Wara, Director of the Climate and Energy Policy Program, Stanford University
 - c. Water: Newsha Ajami, Chief Strategic Development Officer for Research in the Earth and Environmental Sciences Area (EESA), Lawrence Berkeley National Laboratory
 - d. Climate Resilience: Steve Bohlen, Senior Director, Government and External Affairs, Lawrence Livermore National Laboratory
- III. **State Government Perspective**
 - a. Christopher Calfee, Special Counsel to the Secretary, California Natural Resources Agency
 - b. Shannan West, Housing Accountability Unit Chief, California Department of Housing and Community Development
- IV. **International/National Best Practices**
 - a. Lars Moller Christiansen, Danish Environmental Protection Agency
 - b. Gillian Black, New York State Energy Research & Development Authority
- V. **Practitioner Testimony**
 - a. Clean Energy: Marisa Mitchell, Principal, Intersect Power
 - b. Clean Energy: Rick Umoff, Director of Government Affairs, Vineyard Offshore

- c. Housing: Margo Bradish, Partner, Cox Castle
- d. Housing: Nevada Merriman, Vice President Policy & Advocacy, MidPen Housing
- e. Housing: Robin Baral, Senior Counsel, Hanson Bridgett
- f. Climate Resilience: John Bourgeois, Deputy Operating Officer, Valley Water
- g. Climate Resilience: Keith Dunn, on behalf of Sites Project Authority
- h. Climate Resilience: John Kennedy, Policy Advocate, County Representatives of California

VI. Public Comment

VII. Closing Remarks from the Committee Chair

Appendix C2

Informational Hearing of the Assembly Select Committee on Permitting Reform

“Permitting Reform to Facilitate Climate Resiliency”

Milton Marks Auditorium
455 Golden Gate Ave, San Francisco, CA 94102
Wednesday, October 16, 2024
1:30pm-4:30pm

AGENDA

- I. Opening Remarks from Chair Wicks and Select Committee Members
- II. Panel 1: Permitting Reform Needed to Address Sea Level Rise and Flooding
 - a. Liz Whiteman, California Ocean Science Trust
 - b. Sahrye Cohen, USEPA for the Bay Restoration Regulatory Integration Team
 - c. Len Materman, OneShoreline San Mateo County
 - d. John Bourgeois, Valley Water
- III. Panel 2: Permitting Reform Needed to Prepare for Drought Conditions
 - a. Ellen Hanak, Public Policy Institute of California
 - b. Sarah Woolf, Water Wise San Joaquin Valley
 - c. Matt Dias, California Forestry Association
 - d. JoAnna Lessard, Yuba Water Agency
- IV. Panel 3: Permitting Reform Needed to Facilitate the Reduction and Removal of Atmospheric Carbon
 - a. Caspar Donnison, Lawrence Livermore National Laboratory
 - b. Julia Levin, Bioenergy Association of California
 - c. Christian Theuer, Heirloom Carbon
 - d. Josiah Hunt, Pacific Biochar
 - e. Harris Cohn, Charm Industrial
- V. Public Comment and Closing Statements

Appendix C3

Informational Hearing of the Assembly Select Committee on Permitting Reform

“Permitting Reform to Facilitate Infill Housing and Sustainable Transportation Investments”

Auditorium of the Ronald Reagan State Building
300 South Spring Street, Los Angeles, CA 90013

Wednesday, November 13, 2024

1:30pm-4:30pm

AGENDA

- I. Opening Remarks from Chair Wicks and Select Committee Members
- II. Overview on Housing Affordability and Permitting
Mike Manville, UCLA Luskin School Department Chair on Housing
- III. Panel 1: Permitting Reform to Facilitate Infill Housing
 - a. Nevada Merriman, MidPen Housing
 - b. Dave Rand, Rand Pastor Nelson
 - c. Tom Grable, Tri Pointe Homes
 - d. Jennifer Ganata, Communities for a Better Environment
 - e. Christopher Ackerman-Avila, City of San Diego
- IV. Panel 2: Permitting Reform Needed to Mode Shift to Sustainable Transportation
 - a. Juan Matute, UCLA Institute of Transportation Studies
 - b. Laura Tolhoff, SPUR
 - c. Carter Rubin, Natural Resources Defense Council
 - d. Rose Casey, Orange County Transportation Authority
- V. Public Comment and Closing Statements

Appendix C4

Informational Hearing of the Assembly Select Committee on Permitting Reform

“Permitting Reform to Facilitate the Transition to Clean Energy”

Indian Wells Theater, CSU San Bernardino Palm Desert Campus
37500 Cook St., Palm Desert, CA 92211

Wednesday, November 20, 2024

1:00pm-4:00pm

AGENDA

- I. Opening Remarks from Chair Wicks and Select Committee Members
- II. Panel 1: Permitting Reform Needed to Facilitate New Electricity Transmission Investments
 - a. Michael Wara, Stanford Woods Institute for the Environment
 - b. Erica Brand, The Nature Conservancy
 - c. Robert Pontelle, Southern California Edison
 - d. Erica Martin, San Diego Gas & Electric
 - e. Faranak Sarbaz, Los Angeles Department of Water and Power
- III. Panel 2: Permitting Reform Needed to Facilitate Clean Energy Generation
 - a. Elizabeth Huber, California Energy Commission
 - b. Corinne Lytle Bonine, AES
 - c. Marisa Mitchell, Intersect Power
 - d. Scott Murtishaw, California Energy Storage Alliance
 - e. Lora Anguay, Sacramento Municipal Utility District
- IV. Panel 3: Permitting Reform and Environmental Justice Considerations
 - a. Nataly Escobedo, Leadership Council for Justice and Accountability
 - b. Fernando Gaytan, Earthjustice
 - c. Grecia Orozco, Center on Race, Poverty, & the Environment
- V. Public Comment and Closing Statements

Appendix D1

Transcript
Select Committee on Permitting Reform
"Understanding the Permitting Impediments to Addressing the Housing and Climate
Crises"
California State Capitol, Room 447
Tuesday, June 18, 2024

[Chair Buffy Wicks](#)

Wow. Hello, everyone. Got a gavel, you gotta use it, right?

Good morning. Thank you for joining us for the inaugural hearing of the Select Committee on Permitting Reform. Over the course of the year, we will systematically examine our permitting processes and develop meaningful reforms to address some of California's most urgent challenges, the things that keep me up at night as a legislator and as a mom. This impacts our housing crisis, our climate emergency, and our clean energy transition. Today's hearing, really, is just the start. And I want to say, you know, I think the Select Committee on Permitting Reform has a certain ring to it, doesn't it? It's, like, incredibly unsexy. But it's probably some of the most critical work that we actually need to be doing here in California to ensure that we're really preparing our state for the modern environment that we live in. This is going to provide us an opportunity for us to understand the problem that the sort of Byzantine permitting process has created, as well as what the cost of doing nothing is. There is a cost to this inaction that we see.

Sorry, lift the mic. There we go. There's a cost of this inaction that we see in our communities every day. We are facing multiple interrelated crises. Our housing crisis has left us with over 180,000 of our residents without homes, with millions of tenants sacrificing basic needs to pay the rent, and home prices that only the wealthiest households can afford. Simultaneously our unfolding climate crisis threatens to pummel the state with ongoing series of devastating and costly droughts, floods, and wildfires. Addressing these challenges will require that California rethink how we plan for and manage our environment. It will require that we build millions of homes, primarily in infill locations. It will require that we upgrade and build systems to store and move water. And it will require that we facilitate the generational transmission of clean energy.

Unfortunately, we are poorly positioned to make that change that California desperately needs right now, given the current state of affairs with our regulatory system. One of the main primary reasons for this is that beneficial projects face a daunting regulatory regime. To receive permitting approval to build, projects often face years of review at multiple levels of government in arcane and oblique processes. For example, in San Francisco, it takes over 18 months to permit a housing project, whereas in New York City, it takes four months.

Flood control projects can require permits from 15 different agencies, and Texas is permitting 3.5 times more solar annually than California is. Despite these and many more examples, we are not here to besmirch the regulators or even the regulations themselves. Many of these regulations are well-meaning and reflect the needs and interest of the period in which they were created. But most were also created before the housing and climate crisis, and have proven to be insufficient for addressing these existential and current threats. The purpose of this Select Committee is to understand how we recalibrate our regulatory regime to address these threats head on, to make us better at getting to “yes” when it comes to tackling the housing and climate crisis. And this hearing truly is just the beginning. We are going to hear from an amazing series of panelists for you today, including academic experts, state agency representatives, national and international experts and practitioners.

Over the next few months, we're going to continue the conversation, focusing on one-on-one interviews with all interested stakeholders. And if you're all watching out there, if you're in the room, we welcome individual conversations. We're going to be putting together further analysis on this, and we genuinely want everyone from all sides of the debate to come and have conversations with us. And I just, you know, these select committees—and many of us have chaired them—you know, they're only as good as the energy you put into them. So I also want to thank my colleagues for being here today, and I want to give them an opportunity here. You know, the colleagues that are on this committee are here for a very intentional reason. They've expressed direct interest in this issue. They chair important committees. They're on the other side of the aisle. It's truly going to take, I think, all of us to work on this. And I will say, you know, many of us are drinking from a fire hose on 8,000 emergencies that are out there right now. And there's negotiations on the budget, and there's deadlines, and there's all this stuff coming up. And what I think the select committee really allows us to do is take a beat, take a second, actually think about the problems that we're trying to solve, bring in people with all different points of view to truly understand how we can build a coalition that can get to “yes” on solving the problems. And again, I just want to be very intentional about... we genuinely welcome everyone in this conversation, and it's going to take all of us thinking creatively on how we rectify some of these issues.

In the fall, we expect to have at least three topic specific hearings to further flesh out the issues and start discussing the solutions, and those will be probably outside of Sacramento. As much as I love Sacramento, I also love being out in the community, so we're going to be across the state, having different hearings. By early next year, we will have a white paper that will lay out a series of potential solutions to address these issues, and that's going to be driven exclusively by the conversations arriving here, as well as the additional one-on-one conversations we have with key stakeholders. Everyone's encouraged to participate in this. We all know that we can't keep doing things the way that we've been doing them if we want to actually reach our climate change goals, if we want to actually address the housing crisis, if we want to actually guard against some of the climate catastrophes that we know are coming. We have to change how we think about building, we have to get to “yes,” and we have to do so in a way that reflects

our California values. And today we start with that conversation, which I'm really looking forward to.

Before we get to our first panel, which is going to be perspective from academic experts, I want to offer opportunity for the members of the committee who are sitting here, if they would like to provide any opening remarks for the discussion today. Why don't we go to Mr. Flora?

Assemblymember Heath Flora

Thank you, Madam Chair. And I just want to say thank you for taking the time to put this together.

So in eight years, and we've been here. We've passed a lot of lofty goals, a lot of good goals. Goals that we need to meet. But if we don't have the ability to build infrastructure, if we don't have the ability to build projects that voters passed on the ballot, then I think we have to take a step back and look at what we're doing here. So I'm just thankful that you've taken leadership, and we all know that when you decide to sink your teeth into things, things typically start happening. And I'm looking forward to the conversation over the next few months and getting that white paper put together.

Chair Buffy Wicks

Thank you. Our Housing Chair—Mr. Ward?

Assemblymember Christopher Ward

Thank you, Assemblymember. I appreciate you convening us and really putting together a very thorough and robust first hearing for this. As the Chair of the Housing Committee it's not lost on me for all the work that we've done and we are doing and we need to do around housing reforms that are going to be able to help us unlock and produce more housing that California desperately needs. HCD zone data shows an average of 150 days to be able to issue a permit, let alone all the construction challenges and everything—costs of materials—and everything else that we're working on.

I think the legislature has been more aggressive and focused on some of the streamlining efforts that we have been working on, other regulatory questions have really caused us to think critically that there should be no third rails or sacred cows when it comes to trying to do the right things. And the focus on permitting reform, I think, is the next natural extension of what we need to do in that area. You mentioned that, you know, we're not here to—I think I wrote down the word “besmirch”—any of the issues, but we should besmirch them. We should think really critically about ideas, laws, regulations that were passed in a time where it was easier to build housing, where it was necessary to have... it is necessary to have appropriate safeguards for the health and safety of our communities, but you have to wonder, especially when inspections, you know, follow any construction, where there are other safeguards in place, how many of these are redundant? And how many of these are necessarily adding to the cost and the time that it takes to be able to get housing underway?

So, I think that this is going to be helpful. I know that colleagues have already started to introduce bills in the space. Little areas to be able to get at questions around permitting reform or associated fees, but the wholesale focus of what we are trying to do through this select committees hearing and really laying everything on the table, I think will be incredibly informative for a robust package of reforms that maybe could come our way next session. So thank you for convening us. I'm looking forward to all the perspective here today and taking a lot of notes. Thank you very much.

Chair Buffy Wicks

Thank you, Mr. Wood?

Assemblymember Jim Wood

Thank you, Madam Chair. Very much appreciate this opportunity. And, you know, I sit on the Natural Resources Committee, and we meet in this room. And the last couple of years, we've had a number, quite a number of bills, looking for exemptions from CEQA for housing in the Natural Resources Committee. And to me, that's an indication that something's not quite right. And I think we all know that they're huge challenges. I look at this from a perspective of...I respect CEQA. I think CEQA has been an amazing tool to protect our environment. Unlike any other state in the union, we've done a fabulous job from my perspective. What I don't like is the redundancy. What I don't like is the delays that come with that. And so I look at this from a standpoint—and I don't like the word streamlining. I prefer efficiency, because I think we can do this in an efficient way that doesn't—we're not trying to circumvent a process here. We're trying to make sure we don't duplicate it multiple times at hideous cost and then at a time extension that makes projects completely untenable. So that's how I'm looking at this. I'm really looking forward to broad discussion here, and I think we need to get everything on the table if we're really going to look at seriously about moving forward on a number of fronts here in California. So thank you, Madam Chair.

Chair Buffy Wicks

Ms. Petrie-Norris?

Assemblymember Cottie Petrie-Norris

Well, thank you, Madam Chair. And as other members have said, I'm really looking forward to digging into this conversation. I think it's incredibly important and I think really incredibly foundational. So I was reflecting on coming into this hearing... I think the simple truth is that there is just a yawning and widening gulf between our priorities, our values, our intentions, and our results. I think we all recognize the urgency of our housing and homelessness crisis, yet it is taking us decades to actually build new housing units and costing exorbitant sums. We all recognize the urgency of the climate crisis and recognize that we need to dramatically accelerate the pace of clean energy deployment. But we're not going to solve the climate crisis by talking about the climate crisis or having press releases about the climate crisis. We've got to build clean energy infrastructure, and we need to dramatically accelerate the pace. And I

think also want to acknowledge that none of us want to throw the baby out with the bathwater, but it's really, really important for us to dig into the unintended consequences of some of the rules, regulations, laws that are on our books and understand—and like you Assemblymember Wood, I too don't use the word streamlining. I like to use the word rationalize. And I think that there is a real opportunity for us to rationalize our regulations, rationalize our regulatory framework. And just looking forward to working with all of you and moving California forward. Thank you.

Chair Buffy Wicks

Thank you, Chairwoman of Utilities and Energy, for your participation. Also, we'll do some message development wordsmithing here on how we discuss this in front of the—live—in front of the public, which I love. And last but not least, Mr. Grayson.

Assemblymember Tim Grayson

Thank you, Madam Chair, for this hearing that you're putting together—informational hearing—the more we talk, the less we get to hear from them. So I'll be really quick. However, I do want to say, also concur with my colleagues on the committee here.

Time is more valuable than money when it comes to construction. And on the local level, there was something we would refer to when someone was coming in to present an idea for development or for permitting, and that was if it wasn't desirable, instead of telling them no, we would just quote-unquote hug the project to death. In other words, we would use this process as a way to time out the project, to make it to where it wasn't financially feasible. So for me, when I think of permitting, I also think of, in some cases, entitlement, because the two go hand-in-hand. They exist together, and entitlement obviously precedes and ultimately results in permitting.

So I'm very interested in hearing what our guests have to say about the process of permitting, and also how entitlement brings the idealism and the values of the community together with a development and it connects the present with the future. So with that, excited to get into the hearing. Thank you.

Chair Buffy Wicks

Thank you, Mr. Grayson. I think that's an excellent point. And looking at that holistically, that is certainly part of the process, of the permitting process. Great. So with that, let's have our first set of panelists come up. Please come on up, and I'll introduce y'all. We're going to be hearing from Nick Marantz, Associate Professor of Urban Planning and Public Policy at the University of California, Irvine. He's going to talk to us about housing. We're going to hear from, on clean energy, Michael Wara, Director of the Climate and Energy Policy Program at Stanford University.

Come on. Sit up. Come on, everyone. We won't bite.

On water, Newsha Ajami. Chief Strategic Development Officer for Research in the earth and environmental sciences area at Lawrence Berkeley National Laboratory. And on climate resiliency, Steve Bolin, Senior Director, Government and External Affairs, Lawrence Livermore National Laboratory.

So with that, why don't we hear from—we'll just go in order of the agenda. Why don't we hear from Nick first?

[Nicholas Marantz, University of California, Irvine](#)

Thank you for inviting my testimony. I'm an associate professor at the University of California, Irvine. I teach and write about housing, land use, environmental law, and state and local government. Today I would like to outline California's challenges in permitting multifamily housing, explain why these challenges matter for Californians at all income levels, and suggest how the legislature could more effectively address the problem.

California's economy is strong and dynamic. Among the 50 states, California ranked fourth in per capita gross domestic product as of 2022, demonstrating that there is great demand for housing in the state. But California's multifamily permitting rate has long lagged behind the rates of other states. Whereas California ranked fourth in GDP per capita, it ranked 22nd in multifamily permitting from 2011 through 2022, measured as a percentage of 2010 population. This time period covers the recovery from the Great Recession, as well as the trough in permitting during the pandemic phase of COVID-19. In both good times and bad, California's multifamily permitting lags far behind other economically dynamic states, including Washington, Texas, and Oregon. This comparison, illustrated in a handout that I have provided, shows that California's permitting challenges cannot be attributed solely to national factors such as high interest rates, high materials costs, or labor shortages. While it's perhaps not surprising that California lags behind Texas, which has a far more laissez faire approach to regulation, it is noteworthy that California is also far behind both Washington State and Oregon. I will have more to say about what California could learn from our West Coast counterparts in a moment.

It is probably clear to everyone that California would benefit from more deed-restricted below market rate housing, but California would also benefit from more market rate housing and the two needs should not be pitted against each other. Thanks to high quality empirical research, we know that new market rate housing frees up existing lower cost housing. Higher income households that move into the new housing vacate existing units. The people who move into those vacated units also free up existing units and so on and so forth. Research covering 12 large US cities, including San Francisco, studies these chains of moves. The result: a new market rate building that houses 100 people will, within roughly three years, lead 45 to 70 people to move out of below median income neighborhoods. In short, new market rate housing in one neighborhood loosens up the housing market for lower income households in other neighborhoods. Many people are also concerned that new market rate housing in areas with substantial lower income populations will result in displacement, but rigorous recent

research suggests that this may generally not be the case. A study of lower income neighborhoods in 11 major US cities, including Los Angeles and San Francisco, finds that large new apartment buildings in areas with substantial lower income populations decrease rents in nearby existing units by roughly 6% in comparison with otherwise similar units in otherwise similar neighborhoods.

Research focusing exclusively on San Francisco demonstrates that new market rate housing causes monthly rents in nearby existing units to fall by 1.2 to 2.3% relative to otherwise similar existing units elsewhere. That study also finds that new market rate housing reduces displacement risks for incumbent lower income residents. Research concerning new development in New York City has reached similar conclusions. Cities that have engaged in large scale up-zonings, allowing denser development to a degree not observed in California, have experienced declines in housing costs. The most wide-scale rezoning has occurred in Auckland, New Zealand, which has increased allowable density on roughly 75% of its residential land and experienced rent decreases of 21% to 33% relative to a control group. In the US, cities as different as Portland, Oregon and Houston, Texas have experimented with broad, albeit smaller scale, up-zonings. In both cases, these reforms have yielded encouraging results.

Reducing rents and enabling home ownership by facilitating multifamily permitting would have benefits across the income spectrum. Below market rate housing is not available to most middle income or most lower income households in California. Even if the state were to double its production of below market rate housing, which is not likely to happen, most of these households would continue to rely on market rate housing. Adding more market rate multifamily units would moderate housing costs for these households. In addition, 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. Multifamily housing is less carbon-intensive than single-family housing, and it facilitates commuting patterns that are less environmentally harmful. In addition, infill housing is less likely to expose its inhabitants to wildfire risks than new single-family housing at the urban fringe.

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. There are many steps the legislature could take to more

effectively promote multifamily permitting, and I am pleased that this committee will thoroughly investigate this matter.

Today, I would like to suggest five reforms that are likely to have a substantial impact and that would build on the incremental reforms that the state has already adopted. First, the legislature could unconditionally exempt multifamily housing in infill priority areas from CEQA. Infill housing is environmentally beneficial because it promotes the state's climate change mitigation and pollution reduction goals. 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.

Second, 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. Municipalities would retain control over zoning ordinance adoption and revision, but permit applicants would have the option of seeking approvals from a state board. Other states, including Oregon, have implemented statewide boards that can effectively override local permitting decisions. California could go further to provide a board that can make permitting decisions in the first instance, to shorten the timeframe for such decisions. Alternatively, the state board's jurisdiction could kick in only if a city takes more than a specified number of days from the filing of project application to approve a project. As in Oregon, the board could be composed of attorneys who are experts in land use planning law.

Third, the legislature could do more to limit local fees for multifamily housing. Fees can provide much needed support for local services, but California municipalities impose unusually high fees. Some of those fees may not even be tied to the direct impacts of new development, and it is often difficult for a developer to determine the amount of fees that a project will generate. Since 2021 the legislature has adopted several laws to address these issues, although it is not clear how effective the new laws have been. As with permitting, the legislature might consider providing for expedited review of fees for multifamily development projects by an appointed state level board.

Fourth, the legislature should consider placing some limits on local inclusionary requirements for multifamily housing. Inclusionary zoning requirements either mandate or provide incentives for the inclusion of below market rate units in new housing development projects. Under these arrangements, the market rate units in a project cross-subsidize the below market rate units.

Although it is clear that mandatory inclusionary programs can produce below market rate units, it is also clear that mandatory inclusionary requirements preclude development of some projects that might otherwise have been built. A recent study sponsored by UC Berkeley's Turner Center for Housing Innovation estimates very large negative impacts on market rate housing production from even small inclusionary requirements, and for large inclusionary requirements, negative impacts even on below market rate housing production. While it is appropriate for local governments to create inclusionary zoning programs, it is also appropriate for the legislature to set limits on those programs to ensure that they do not unduly inhibit housing production. Assembly Bill 1893, which is currently pending, is an important attempt to strike this balance.

Finally, this committee should consider two reasons that the legislature's statewide up-zoning laws have not yielded more multifamily housing. The first reason involves the inclusionary requirements in those laws. The state's density bonus law, AB-2011, which allows the conversion of commercial buildings to multifamily residential use, and permit streamlining bills, such as SB-35, all require the inclusion of below market rate units and qualifying projects. As with local inclusionary requirements, such statewide mandates may well be appropriate, but it is important for legislators to recognize that these mandates are likely to impede overall housing production, and could even impede below market rate production. The legislature should carefully weigh potential incremental gains in below market rate units against potential losses in both market rate and below market rate units. In addition, many of the legislature's statewide up-zoning bills include union labor requirements that render many projects cost prohibitive. As the scholars Christopher Elmendorf and Clayton Nall note, less than 10% of California's residential construction workers belong to a labor union, and trying to solve a housing crisis by requiring builders to use union labor is like trying to solve a famine by disqualifying 90% of farmworkers from planting crops. As with inclusionary requirements, this committee should assess tradeoffs between labor requirements and housing production.

Over the past eight years, the legislature has adopted well over 100 bills intended to spur housing production. Only one set of laws, those related to the development of accessory dwelling units, or ADUs, has been unambiguously successful. One analysis of building permit data furnished to the California Department of Housing and Community Development indicates that ADU production increased by nearly 2,800% between 2016, when the state launched its recent ADU reforms, and 2022. By contrast, multifamily production increased by just over 11% during the same interval. The ADU laws restrict local parking requirements, eliminate fees, establish default by-right development standards, limit permitting timelines, eliminate the possibility of CEQA review, and preempt homeowners associations from adopting a variety of relevant prohibitions. Notably, there are no labor or inclusionary requirements associated with the ADU laws. In short, the 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. Thank you.

Chair Buffy Wicks

Thank you. Appreciate that. And before we get on with our other guests, we've had a couple other members join us. I want to give them an opportunity, if they'd like, to provide some opening remarks. Mr. Carrillo, Chair of our Local Gov Committee, would you like to provide any opening remarks?

Assemblymember Juan Carrillo

Thank you, Madam Chair... thank you for putting this together, allowing me to be part of this committee. I'm a city planner by profession with about 20 years of experience working for jurisdictions like the City of Palmdale, City of Coachella, and Desert Hot Springs. I know the struggles firsthand. I know how time consuming it is, even for staff to go through an entitlement process, and at the end of the day not seeing multifamily projects being developed throughout the jurisdiction that I worked on and throughout the state, as you mentioned. I'm really looking forward to these conversations and see how we can be more supportive legislatively. I do agree with the ideas, comments that you made. I think that that's successful program, and I think that that's one way that we can continue to increase the housing units that we need. However, that's not going to be sufficient. We need to work on the very things that you mentioned, making possible for multifamily developers to be able to continue to build the units that we need.

I want to say thank you, Madam Chair, and looking forward to these conversations. Thank you.

Chair Buffy Wicks

Thank you, well said. Mr. Alvarez, would you like to provide any opening remarks?

Assemblymember David Alvarez

Thank you, Madam Chair, for the opportunity to be part of the committee. I want to thank the Speaker, obviously, for setting up the committee. As I look around, the day is here. I think we have individuals in the legislature who have already, some of us, in a short period of time, some of us a little bit longer, worked on trying to really focus on building the infrastructure that we need, just generally, in California. And so I'm really, really honored to be part of this group.

Like many colleagues who are here, I come from local government, and my perspective really is that local governments, at least when it comes to housing and other projects that are locally controlled, such as inclusionary ordinances and things like that, have tried to step up where I think state government has failed. And I think we should acknowledge that state government has failed and that things like CEQA, the Coastal Act, have been inhibitors of the infrastructure that we need to build in the State of California when it comes to projects like transportation infrastructure and housing certainly.

I have had the opportunity myself to author a few bills to tackle this problem, such as creating CEQA exemptions for affordable housing or permitting reform for the coastal zone. However, these have been sort of one-off bills that I think, although are necessary, are not sufficient. We

have more work to be done. I do think these are attempts by—good attempts and worthy attempts—by many legislators in trying to solve these problems. And so we need to do more. We need to have the tough conversation about how well-intentioned laws from decades ago are, again, inhibiting and are getting in the way of building housing and transportation projects that are important. Again, I want to re-emphasize CEQA, the Coastal Act, the California Endangered Species Act, and others, other legislation and other policy goals that—again, were worthy and worthwhile—need to be revisited.

So I'm looking forward, Madam Chair, to this conversation for sure, and I hope that—looking forward to all of you, the experts, who will be coming before us today and asking some questions on how we can move forward. Thank you, Madam Chair.

Chair Buffy Wicks

Thank you, Mr. Alvarez, and thank you for all your good work since you've joined the Assembly. Your perspective has been very critical. I also want to offer Ms. Quirk-Silva the opportunity for some opening remarks. She's done a lot of work in the housing space in particular. So would you like to provide opening remarks?

Assemblymember Sharon Quirk-Silva

Yes. Thank you members, and thank you for putting this select committee together. As we know, focusing on permitting, not just with housing, but other forms of permitting throughout California—and really the United States—we know that is a very slow process when we compare ourselves. Some of us have actually gone out on delegations to other countries where, whether it's transportation or housing, and we're saying, well, I had a chance to go to Medellin, Colombia, and you know, "How did they build high speed rail? How did they build gondola?" How did they build—and change lives, by the way—connecting the upper part of Medellin to the civic center. These were not easy decisions, and yet they have many less regulations than we have. And so as much as we want to fix a problem, which we know is housing production and homelessness, it has been very slow and painstaking to see the steps that are being made. And there are some wins, as I think I walked in and heard about ADUs, we know that there's been some progress. We know that there's some bright lights out there. But the pace that we are moving is too slow for what we need. And if we continue at this pace, we in a decade will not only be talking about this very same issue, but we will see many, many others who have fallen into homelessness, and so that is my sheer focus. This does not mean protecting places in California that are iconic, our state parks, certain areas in California, and having that balance of the environment and building, but it also means we can't just say no. Thank you.

Chair Buffy Wicks

Thank you. Appreciate the testimony on housing. I was taking copious notes. We'll allow time for Q&A after everyone gets to present. Let's see. Michael Wara, I believe you are next, and you're going to be discussing clean energy.

Michael Wara, Stanford University

Yes. Thank you very much, members of the committee for having me today. I'm going to talk about permitting, and I would actually step back a little bit and say in the energy context, planning, siting and cost allocation are key issues for building out the energy infrastructure we need. And when I say the energy infrastructure we need, I want to be clear about what that means in the California context. As I'm sure all of you know, probably from getting phone calls from your constituents, we face an energy affordability crisis in California, the crisis is now, not at some point in the future, I think, particularly as we enter the hot months of the year in the hotter parts of our state, many people will face very difficult choices about not just whether to have a comfortable home, but if they are older, if there are children in the home, if they have cardiovascular disease, any other kind of preexisting condition, whether they can afford to have a safe place to be during hot times. And that's a crisis that our state confronts for a variety of reasons, notably, you know, our collective failure to manage wildfire threats more proactively, and the resulting damages and costs that that has imposed on our electric utilities.

But even as we face that affordability crisis, we need to have a safe system, a system that doesn't kill customers. We also need to have a reliable system that provides energy, especially during shortage events, hot afternoons in the summertime, or actually not so much the afternoon these days, but the evenings in the summertime are the most challenging time for the grid to maintain bulk power system reliability. And we need to build out the system that all of your hard work over many years has produced a policy mandate for, which is ultimately a zero-carbon electricity system. And in general, all of that together—just one additional point, you know, we need to build a system that takes account of the rapid electrification that we're seeing across a variety of domains, but most notably in transportation, where light duty vehicles are at the beginning, not the end, but the beginning of a transition toward electrification that's going to place additional demands on the electricity system. So that's a challenge.

The challenge is made more complex by the fact that we are a state that today relies heavily on natural gas-fired electric power for a substantial fraction of our electricity supply. And as a matter of state policy, because we care about climate change in the state of California, or we prioritize it as an issue, we've committed to moving away, decisively away, from reliance on fossil fire and electric power. So we have to build. We have to build, not only to ensure reliability and safety, we need to build to meet the demand that's coming. And that demand, I guess, most recently, you probably have seen a lot of stories in the papers around growing demand due to data centers. That's also an important issue to keep in mind, but I think for California, it's not right away the predominant one. But we need to meet that growing demand, and we need to change how we supply that reliable, affordable electricity from a system that relies quite heavily on centralized, large power plants that burn fuel to one that relies on a more distributed network of utility-scale solar and wind, both in California and outside of California. And we also need to manage to build substantial new distributed energy resources that—you know, rooftop solar, and not just residential rooftop, but commercial

rooftops, industrial rooftops all over California. So that's a lot of planning, siting, and figuring out how to pay for it. What I would tell you is that we're not doing enough yet.

The largest challenges have to do with siting of large utility-scale renewables in sufficient quantity to meet the goals that we've set as a state. And probably more importantly than that, a challenge associated with siting, planning, and constructing the new electric transmission—the wires that will bring that renewable power where it is produced—to the sources of demand in California, which are largely, not entirely, but are significantly concentrated in the south coast and in the Bay Area. So what are we doing about this? The good news is that... well, 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—most notably the California Independent System Operator, which is not an agency, it's a nonprofit that stands apart from the state and operates transmission that's owned by utilities—but collaboration between the independent system operator, the Energy Commission, and the PUC. And that has been challenging in the past, but thanks to executive orders from Governor Newsom and a real concerted effort on the part of all of the agencies, is actually going better today, I'd say, than it has in a long time.

Nevertheless—and I should say the agencies are starting to plan in a way that is truly long-term for the first time in a long time. And the most notable effort there, I would argue, is the 20-year plan that the California Independent System Operator recently has started producing. They produced the first one last year and the second one this year, and it's allowing a longer look forward in the planning process, which takes account of the reality today, which is that it takes about 10 years on average to build a new transmission line. So we need to be thinking more than 10 years ahead. Thinking 10 years ahead is like just in time delivery in the transmission planning process. The ISO recognized this, started looking 20 years ahead. In addition, the ISO, which is an important control on which kinds of generation gets connected to the system, is also starting to think in more innovative ways about how to—I mean the metaphor that I use, and maybe this shows my age, but there's a movie from a long time ago, where someone says, “If you build it, they will come.” And that is the way that we need to be thinking about building electric transmission at this point. We need to proactively identify areas where we want to have more renewable energy, and then we need to build the transmission to those areas and then allow projects to cluster around that available transmission. That kind of clustering approach is something that the ISO has been a leader on, is working on. I would say, no one would argue that this is a done project, that we have... that we're building enough transmission and enough generation to be confident at this point that we will achieve our goals.

So that's the sort of within the state picture. There's another aspect to this, which is planning our collaboration with other regions. This is also a very important part of the siting and planning challenges that we confront now. Today, we plan within California and, to some to a very limited degree, California is building transmission lines to other attractive renewable energy resources, especially wind and solar—or especially wind, actually—that are located outside of California. I would argue, and I think many in the power sector would agree, that we

need to deepen our collaboration with other states so that we can plan these inter-regional lines that connect one region, California, to other regions, and that that collaboration, again, is being led by our agencies. In particular by the CEC and the CPUC in what's called the Pathways Initiative, which is an effort to develop a set of services, and a sort of governance structure, that would deepen and allow for deepening of that collaboration. As we do that we need to maintain our ability to stay close to our values on climate, because we're collaborating with folks that may not share those values. But I think that is a doable outcome, and it recognizes also a reality that we're not an energy island. We never have been.

In the old days when I used to have to teach my environmental law students about coal-fired electric power, I would say California doesn't have coal-fired electric power plants anymore in California, but that's because we have them on the res in Arizona and we have them in Nevada. We have them over the horizon. We have them in Utah, at Intermountain. And then we bring that coal-fired power in over wires. We have never been an island. We will not be an island in the energy transition, in terms of our electricity system, and we are better off, both from an affordability and a reliability perspective, if we are not an island.

The last point that it's very important to make in this context is that I'm sure, maybe not right now, but at various points in the past, you probably have heard from constituents that are very upset about changes to rooftop solar in the state of California. We can have arguments until the end of time about the right way to compensate rooftop solar in California. The reality is there's going to be a lot more of it. Increases in rates mean that there's going to be a lot more of it, because the more that the utility rates go up, the more attractive whatever deal you're getting from rooftop solar looks. Interacting with that has been a decline in the cost of stationary storage batteries that you can hang on your house and use to essentially arbitrage the time-of-use prices that utilities are required to offer if you have rooftop solar plus storage. You can avoid the high cost electricity price that occurs from 3 pm to midnight on my rate, and just use your batteries at that point and charge your batteries up on low cost solar in the middle of the day. That's something we actually want to encourage Californians to do. It helps to reduce the need to build utility-scale solar. It helps to reduce the need to build the high voltage transmission lines, which we're going to need to build. But the question is, sort of, how much? Is it an impossible amount, or is it a feasible amount?

And the biggest challenge, I think that with rooftop solar, is that we pay too much for it in California. And we largely—and let me just give you a sense for that, and this is important to understand. Australia. New South Wales, a province in Australia, similarly situated to California with respect to climate. They have big wildfire problems, just like we do. They call them bush fire over there. But it's a place that we can look to as sort of an analogous situation. Rooftop solar in Australia costs \$1 a watt for rooftop installed. Rooftop solar in California costs \$4 a watt, so a factor of four difference in cost. The reasons for that, and I'll just tell you, the hardware going on the roof is the same. There is no difference. So what's happening there is something having to do with siting and permitting. And it does appear that California could make substantial improvements to the cost of rooftop solar by improving on how local

governments permit. In general, in Australia, it's ministerial, right? It's not something that has to go through a planning desk, which means the company installing the solar doesn't need to have a planning expert on their team, which is a major cost, and a planning expert for every jurisdiction in which they work.

In addition, the utility approvals, which are also a major barrier, the interconnection request is much simpler in Australia and more of a ministerial approval. And then the utilities are charged with managing that additional resource that's on the grid. So, connect and manage right? And... I think that—I'm not optimistic that we could get to \$1 a watt in California, but there's no question that rooftop solar could be a lot cheaper than it is, and that would come via planning and permitting reform, and that that, in turn, would lower the demand for building, or potentially mediate, or help us to, mediate the demand for building a lot of the very hard to construct stuff where—especially high voltage transmission.

The last thing I would say on electricity is that there are some technological solutions that we need to pay attention to. In particular, probably the most important one, is what's called reconductoring. This is a technology where, instead of using a traditional high voltage conductor, a conductor is fancy electricity-speak for the wire, on top of the pole, you install a wire that has a carbon fiber core, and that means that the wire doesn't sag when it gets hot. And that means you can run twice the energy through the wire. And so you can take the same pole, or maybe you have to replace the pole, because the pole, the tower was constructed in the 1920s during another era, or the 1960s, but you can take the same right-of-way, with the same environmental impacts, and double the energy flows moving through it. And that, I think, is a planning and siting and permitting hack that we should take advantage of to the maximum extent possible in California, because I personally think that... I hope that all of you make progress on this issue. And that you facilitate easier and more rapid and lower cost permitting and siting that is responsible within California's borders, but we're not going to go to one year from 10 years. Maybe we could get to seven years, and that would be a major improvement. Maybe five. That would be a massive improvement. It would be game changing. But we're still going to need to build really unprecedented amounts of energy infrastructure over the next two decades.

We are transforming a foundation of modern society. When we say we're going to have zero-carbon electricity that means building a lot of stuff. We haven't built a lot of this kind of thing since prior to the OPEC oil embargo, right? We just haven't. We haven't needed to, partly because California has been in a process of deindustrialization, and partly because we have been so effective in our energy efficiency programs that demand for power hasn't grown. But we're out of that era, and we're out of that era in multiple ways. Safety first, right? We need to make sure we don't kill anyone with our system, we need to avoid Lahainas and Napa Sonoma firestorms and Camp fires. We need to build an unprecedented amount of new infrastructure to meet the new demand. Right? 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.

And so we need to lead on that. And we are. I think the administration and the three agencies, or the two agencies and CAISO, really are stepping up to this challenge. They are being honest about the magnitude of the challenge. But you can also help them, and you can help them by identifying sort of key barriers to permitting and trying to lighten them. I would argue that especially recent legislative history indicates that even as we lower siting and permitting barriers in the power sector, given the affordability crisis, we also need to find new money to pay for infrastructure. Because just lowering the siting barriers is going to lead to higher rates. And so there's a kind of combined affordability and planning perspectives that needs to occur in order to make progress in this space.

With that, I'll just thank you very much for considering the issue, paying attention. This issue, I think it's incredibly important to California, and I'm gratified that this committee has formed and is going to be focused on it. Thank you.

Chair Buffy Wicks

Thank you for your testimony. Appreciate that. And again, we'll hear our panelists first, then we can open it for Q&A. Next, we'll hear all about our water issues. Newsha Ajami, please take it away.

Newsha Ajami, Lawrence Berkeley National Laboratory

Thank you so much. Chair Wicks, members of the committee, I really appreciate to be here and talking about such an important issue. I just note that a lot of the work that I'm going to cite here or state is based on the work done when I was at Stanford running a Water Policy Program, and some of my personal experience when I was on the Regional Water Quality Control Board in the Bay Area and currently as a commissioner at SFPUC.

This was stated a few times, but I say it again. 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. The prevailing linear, once-through, centralized water infrastructure model, overlaid by a siloed and fragmented governance structure dominates our water supply portfolio. We have divided our natural water cycle into three distinct buckets—water, wastewater, flood water—and designed regulatory and governance system to manage them as such. Human behavior, environmental consequences, and ecosystem impacts were not incorporated into this model at time of its inception.

This network of aging pipes, pumps, dams, and aqueducts are reaching the end of their design life, creating an inflexible system incapable of withstanding various social and environmental challenges we are facing. Today climate change is further undermining the resilience and

reliability of water infrastructure daily. From extreme droughts and rising sea levels to devastating storms, floods, and mega-fires, our current water infrastructure system and its governance model are under immense pressure. In many cases, they lack the capacity to handle these compounding and cascading risks, further highlighting the inefficiencies and injustices inherent in this system. 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. These inefficiencies are particularly prevalent for more innovative projects, while a faster process is not necessarily more efficient if that speed reduces a permit's environmental protection, it is important to make the permitting process more effective and efficient simultaneously. I'm going to elaborate on some of these systematic challenges and highlight the opportunity areas, especially when it comes to the governance structure and permitting process. We have a regulatory fragmentation that is really challenging, a lot of our decision-making process. As I noted earlier, we have segmented our natural water cycle into three distinct categories—water, wastewater, and flood water—while also dividing up our watersheds based on political boundaries. Separate regulatory governance systems have been established to manage each category individually and across political borders. Financial resources also have been allocated accordingly at the federal, state, and county levels, often resulting in isolated funding streams for each part based on its missions.

Additionally, the federal government exercises regulatory oversight over several of these systems through the Clean Water Act or as a water right holder and or through other federal laws and regulatory frameworks. Furthermore, local and regional jurisdictions have their own ordinances that govern and manage water above and beyond these state and federal governance structures. This multitude of statutes, implementing regulations, agency policies, and court decisions from the permitting process determines the permit required, what agencies look for during the permitting process, and what activities they can authorize. 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. In some cases, these are overlaps, but not always. Obtaining even a single permit requires meticulous adherence to complicated and conflicted set of laws and regulations. This fragmented approach can lead to inefficiencies and challenges in managing our water resources holistically. It can also limit access to federally or state-appropriated funds to inconsistently requirements and criteria. 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, 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. For instance, Clean Water Act Section 404 certification requires a completed biological assessment under the Endangered Species Act and the issuance of the Clean Water Act Section 401 certification, each of which is handled by separate agencies. In some cases, a minimum requirement provided by one agency matches the maximum requirement of the other, leaving no leeway to adapt to a particular requirement of a site. Furthermore, 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 process.

The current regulatory framework struggles to accommodate such integrated approaches, necessitating coordination across multiple jurisdictions and agencies. The fragmented regulatory landscape presents significant obstacles, compounded by rigid laws that often favor traditional solutions over innovative ones. To fully leverage the benefits of these climate solutions, it is imperative to reform the permitting process, fostering a regulatory environment that supports innovative and collaborative processes. Another example is the uptake of water reuse. Many of you might have agencies that are looking at water reuse. Various water reuse projects, from building scale in San Francisco to regional scale are transforming the conventional, once-through water use network that we have, requiring water and wastewater entities to work together to manage their flows meet the regulatory requirements. However, many of these projects also suffer from complex and multi-layer permitting process. Especially the smaller ones, making their implementation difficult and inefficient. For example, in San Francisco, we have an on-site reuse system ordinance, which is actually working perfectly, because we are a city and a county, so we actually streamlined or made the permitting process more efficient. However, this is not true for a lot of other localities. So people need to go to Planning Commission and the regional water board and their cities and a lot of different other agencies that they have to go.

In this case of fragmentation, I offer three suggestions. Clear definitions and criterias—establishing uniform definitions and criteria can certainly promote consistency across jurisdictions, and streamline the interpretation of the regulations. Two: interagency coordination—implementing formal mechanisms for interagency collaboration, such as task forces and shared communication platforms, can harmonize permitting processes and expedite decision-making, incentivizing collaboration. Using funding mechanisms to incentivize agencies to work together towards common goals, can foster cooperation and reduce bureaucratic barriers.

The second point I wanted to note here is lack of digital infrastructure and smart processes. Modernizing a permitting process with digital tools is essential for enhancing efficiency and transparency. Think about all of us. We live in a digital era. Our permitting process lives in the analog era. Utilizing online stores, crowdsourcing information, mapping existing data, and building online trackers can significantly improve process efficiency. The permit application process generally involves serial reviews by multiple agencies, despite each agency having slightly different forms and information requirements. Some information, such as project descriptions, is often duplicated across multiple applications. This results in multiple forms requesting the same information in different ways. Reform attempts to create integrated permitting process could lead to creation of a single form that collects all necessary

information for major permits. This approach allows applicants to provide information once, filling out and filing a single comprehensive form. In addition, building an online database of technical information, such as distribution of endangered species, critical habitat, and previous permit requirements can really improve the process. This database would ensure that new information does not have to be gathered and new for every project operating in the similar watershed or geographic area, streamlining or making the process more efficient and reducing redundancy. If we basically end up wanting to permit different kind of projects in a single watershed, every one of those permits have to file endangered species, do the biological review, and file them, and none of those are included, and nobody else can use it again. So that's a very inefficient process.

All of this requires substantial investment in creation of a digital infrastructure to support these processes across the board. Such infrastructure would encompass several critical components, integrated data management systems, developing centralized database that consolidates technical information can eliminate the redundancy and provide up-to-date information for decision-making. Digital platforms for seamless communication and collaboration among agencies can streamline review and accelerate approval process. User friendly portals for submitting permit application can simplify the process, allowing applicants to provide comprehensive information in one place and track their application status in real time. Leveraging AI tools to assess initial review, can expedite preliminary assessment and ensure compliance for regulatory requirements.

In conclusion, we are building the future today. Our current permitting process must evolve to meet the demands of the 21st century. By embracing digital innovation and fostering greater collaboration among regulatory agencies, we can create a more efficient and effective permitting framework. This approach not only supports environmental protection, but also promotes sustainable development and resilience in the face of climate change. I really do appreciate for your attention to this critical issue. The topic of streamlining and efficiency has been in this house for a long time, I used to work here. And I do appreciate that everything we do somehow needs to fix this very fragmented and old process. We can call it whatever we can. Thank you.

[Chair Buffy Wicks](#)

Thank you very much for the testimony. Lastly, we'll hear on climate resiliency. Steve Bolin.

[Steve Bolin, Lawrence Livermore National Laboratory](#)

Good morning, and thank you for your invitation to speak before you. My name is Steve Bolin. I currently lead Government and External Affairs at Lawrence Livermore National Lab. Prior to that, though, I led the Energy and Homeland Security Program for half a dozen years. I've had the benefit of serving the state twice. I was the state Oil and Gas Supervisor in 2014 and 2015 and was responsible for the development of the hydraulic fracturing regulations as required by Senate Bill 4. So it wasn't the most fun I've had in my life, but it gave me more insights into some of the challenges that you all face as you consider regulatory reform. The second time I

served the state was as the acting State Geologist in 2020, and 2021, that gave me a front row seat on many—many, many—multi-agency discussions on how we sequestered CO₂ geologically in the state, the state is blessed with some of the best geology for sequestration of CO₂. And that also gave me a really good insight into some of the challenges that you all face in terms of dealing with that issue.

You've heard from all of us on the panel that we will have to have massive infrastructure builds over the next few decades to meet the challenges of climate change, the power needs switching off fossil fuels—a huge transition. The magnitude, though, is really hard for everyone to grasp. Just to electrify the transportation system, the CPUC estimates that we need three times the amount of power on the grid than we currently have. To electrify all of California's economy, we need five times. So these are massive efforts, and they're at all scales, from the size of the culvert in the road that you travel to get home, how big is that going to have to be given intense rainstorms that are going to be affecting the state—already do, atmospheric rivers—to these issues that my colleague, Dr. Wara talked about in terms of the magnitude of the power needs of the state.

However, the overriding issue is perfect is starting to become the enemy of the good in the state. And in trying to solve multifaceted problems and doing so in ways that that try to drive towards many policy goals, we end up being paralyzed and actually doing nothing. And I was reminded of this as I thought about the testimony today—when I was a postdoctoral research fellow at UCLA, the peripheral canal was the big debate at the time, and I had a water engineer colleague say, you know, there's a lot of other ways that it could be done, and a lot of them are worse, but we still have to solve this fundamental problem of how we protect our water conveyance system in the state, which now is still at risk of absolute failure. And now we have—what, 45 years later—we have tunnels. We're debating whether we have one or two. The same problem exists. You have the risk of having complete failure of your water conveyance system because you mix water from Northern California in the eastern part of the Delta, and if you lose levees during a seismic event, that water will be contaminated with salt water. So that's what, 45 years, and we still haven't solved that problem. You have to solve major problems with our electrical grid, with our water infrastructure, and so forth in much less time than that. So perfect can't be the enemy of the good. We have to have adaptive approaches to these problems. You're going to learn as you go. We always learn as we go.

But one thing that hasn't been addressed at this panel is culture, and when I was the Oil and Gas Supervisor and implementing a new set of regulations, as I said, required by legislation, what I discovered was there were multiple agencies that were part of regulating hydraulic fracturing in the state, which the SB-4 law was about. And in my discussions with the Water Board, in my discussions with what was then called the Department of Toxic Substance Control, and the California Energy Commission, what I found was a culture of regulation where people would say to me—I'm a geologist, I'm not a regulator, so it was a new world to me—they would say, "Things will move forward when we have done our work." And there was, I felt, an unfortunate attitude that we need to do our work, we'll take as long as we want to get it

done. So this is primarily an executive branch problem, and it's going to take leadership in the executive branch, but 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. And in my view, as a pragmatist, trying to right the ship of a regulatory agency that was having troubles, meet what Governor Brown had asked me to do... I need industry to be able to function, and I need to do it in an environmentally sound way. 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're moving into a period of rapid change. And so perfect can't be the enemy of the good. It just can't be. It forecloses opportunities that you may need in the future.

Another example is do we in our zeal to move away from fossil fuels, and that's absolutely we need to do that as fast as possible, we don't want to foreclose the opportunity to have carbon negative natural gas flowing through the natural gas distribution system in the state. So we have to be careful about what we oppose, because there may be other solutions that are actually beneficial from a climate point of view that we need to consider. So my plea to you is to form a partnership with the executive branch to change the culture of regulation that says it's okay to take time. It's not okay to take time. We don't have time.

Secondly, you're going to have to do some very challenging things, and they're hard. They're absolutely, very, very, very hard. Quadrupling, quintupling, the amount of power on the grid, reconducting or putting up new wires, as Dr. Wara said, all of that takes money. We're going to have to find that money. Public investment is going to be required. The good news is, at the moment, and we'll see what happens in the next few years, there's a lot of federal investment that could come if the state's willing to invest some as well.

So I'll conclude my statement, because I think having Q&A is probably more important than listening to me speak. But multi-agency efforts are required for just about everything that we need to do, and we need to have those efforts proceed in parallel. The whole issue around storing CO₂ underground is a requirement for the state to meet its climate goals. There's no way around it. There are no amount of trees we can plant. There's no amount of wetlands we can restore that are going to solve the problem in order to deal with 400 million metric tons a year of carbon emissions. Geologic sequestration of CO₂ is required until we get farther down the road and have a carbon-free electrical system and other carbon-free processes. The good news there is that we have the technology, we can change how we use our waste products, forest waste, municipal solid waste, ag waste, turn it into hydrogen, which the CEC says the state needs, and put the CO₂ underground. We won't store our CO₂ out of the problem, but it does provide us transition time as we get everything else involved. But there's a half a dozen agencies involved in permitting a single site. There are over 140 sites around the world—geologic sequestration sites around the world—that are in development right now. There's about 45 that are operational. There's about 50 million tons of CO₂ going underground as climate mitigation around the world right now. We have great geology. We need to do it, but we can't get one permitted, so we have to find a way to parallelize them that gets to efficiency,

I think that Assemblymember Wood talked about, so that these things can happen fairly quickly. Because you're out of time. 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.

Thank you very much. I appreciate the opportunity to speak before you.

Chair Buffy Wicks

Thank you. Appreciate it. We've got a couple members who I know want to speak. First, we'll turn to Mr. Wood.

Assemblymember Jim Wood

First of all, thank you. This is a great panel, and I very much appreciate—there are some common themes in your testimony here, which I won't get into a lot, but I do want to go back to Mr. Bolin. This parallelization, which would be, I think, would be hugely valuable. And so many things we see, everything happens sequentially and you're dealing with these silos, and no one's working on the same project the same time. It takes a huge, huge amount of time to get anything done.

And I would agree, the perfect is becoming the enemy of the good, and how do we make that culture shift happen here in California. With regards to energy, I'm sort of stunned that we in California don't have a Secretary of Energy. We have the fifth largest economy in the world. We're facing unparalleled—

Chair Buffy Wicks

Fourth.

Assemblymember Jim Wood

Well, whatever. Pretty big. Okay, four. Thank you. And while some agencies seem to have more influence or another, what I would love to see is an agency or a czar, or somebody who could actually compel agencies to work together and get these things done. And right now, it feels like the agencies, they all kind of do their own thing, and it's great. Dr. Wara talked about, you know, the CEC and CAISO and PUC were coming together, and it seems like the outcome of that is that now we have a 20-year plan, but when it comes to actually getting projects done, we still work in that sequential, parallel way, which is duplicative many times, especially around CEQA, and frustrating there. It's like we aren't working. It's like we aren't reacting to a crisis that is an absolute, which is a crisis here.

So Dr. Wara, you talked about reconductoring, which I think is a fabulous concept. I would imagine that requires a level of CEQA analysis, probably multiple agencies to do that. I don't know the answer to that, but I think it's something we should find out. You said that there are key barriers. I mean, what is that? And that the legislature should be, you know, directing—so part of it's like in the big world, why us? We don't have the knowledge. Why aren't the agencies who have a problem more proactive in coming up with solutions and asking us, as the

legislature, to help them through a process? There is often silence, when there's a... we know there's a problem out there and we know that sometimes agencies actually have authority to do what we want them to do, but they won't do it until we tell them to do it. And that—we have seen it in healthcare many times like, No, you have the authority. No, we need you to specifically tell us to use our authority. So this reluctance by agency to move things forward is really frustrating. I see Mr. Bolin nodding over there about that. So, so I guess, you know, I'm coming back to the water piece here, just in general, the idea of programmatic CEQA analyzes would be helpful, so we're not doing duplication. When I was on a planning commission years ago, I remember seeing a CEQA analysis come to us, and I was reading through the CEQA analysis—I actually read them—and came across references to another city. So these are cut and paste. These are duplicative, wasteful documents, because they're cut and paste the same thing for cities over and over and over again. So why are we doing this? So actually, that's a long statement, but I should call you Doc Graham, if you know your movies well, you'll know who I'm talking about, okay.

It's like, okay, we the CEC, PUC, CAISO, come together, and they've come up with this. You know, they're working together, got a 20-year plan now. But I have asked repeatedly, what are the goals of your collaboration? What do you—I mean, it's great that you now have a 20-year plan, great—but we have a huge challenge ahead of us, and there's a reluctance to set goals, how this collaboration could be more effective. I've asked in multiple hearings about this, can you tell me what the goal of your collaboration is, and get no answers and so as we look at, you know, the planning, citing, financing of infrastructure is a huge challenge here. Do you have, from your perspective—and I have tremendous respect for you in the work that you do on so many areas—do you have thoughts about how we how we can do that? I've given you my idea, I think we should have an energy czar, someone who can pound heads and make all these agencies actually do the work and be responsible to that person who can then be responsible to the governor to get stuff done, instead of agencies just kind of all doing their own thing out there. So if you had a crystal ball, Dr. Wara, what would you... how could we... and focus is on transmission, because that's been a huge issue. State knows it's a problem, known it for a couple of years. We're making little tiny bits of progress here. Just focus on transmission for a minute.

[Michael Wara, Stanford University](#)

I would suggest two potential policy ideas, both that have been tried and have been successful in other states. And I think we should not be shy about looking to other states that have successful programs to build out their systems. One is what is called a renewable energy transmission authority. That's an organization that was created both in New Mexico and Colorado, and is designed to facilitate greater build out, especially of the large kind—not the local projects, but the big lines that sort of connect new areas of renewable energy to load. RITAs are a way to both sort of circumvent the investor-owned utility transmission planning process to some degree, and also to bring new actors and new money into that process. And we need new money in that process. Our IOUs have lots of challenges due to wildfire that they're still working through and overcoming.

Another policy idea that was highly successful in Texas, of all places—you know, thinking about policy ideas from everywhere is what we should be doing, I think—is something called competitive renewable energy zones. It's competitive because Texas, but the basic idea is to say where we want renewable energy to be. So, for example, in California, we have a lot of ag land on the western side of the Sacramento Valley that is unsuitable for being in production at this point because of the water, lots of reasons. It's disturbed land. Great place to put energy resources.

And a CREZ would say, "Let's build the transmission to go to that area, sufficient to fully utilize the renewable resource that's there, and then let the renewable resources show up and connect to that transmission. Build the—lead with the transmission. If you lead to a place where permitting and siting is less painful, if we're not killing Joshua trees and desert tortoises to install the solar, right, that will be easier. But our process, as has been pointed out, is very incremental. The way that the process works today is a project comes in and says, "I want to interconnect," and the grid operator says what upgrades will be necessary for this project to interconnect, rather than saying we want to see gigawatts of power in this spot, and therefore we're going to build the transmission to support that in the belief that the power plant developers will show up if there is transmission. I think those two ideas—

[Assemblymember Jim Wood](#)

If we build it, they will come.

[Michael Wara, Stanford University](#)

Yes, and Texas did that, and they built a wind industry on it, and it worked.

[Assemblymember Jim Wood](#)

Well, there is—and I don't want to monopolize time here—but there is huge reluctance on that piece of it. In one oversight hearing we had, we heard that... asked, you know... there's reluctance to overbuild because there's a fear that we won't be able to accommodate that infrastructure. So I asked the question, when was the last time we overbuilt transmission in the state of California? 1930s. And guess what, folks, we've used it all up, you know? And so there's this fear of being innovative in that way, and that's paralyzing us, and that's a real problem. So thank you.

[Chair Buffy Wicks](#)

Thank you. We really are trying to build a Field of Dreams here, so. We'll do Ms. Quirk-Silva next. And then Mr. Alvarez.

[Assemblymember Sharon Quirk-Silva](#)

Just a few comments. I really appreciated all of your presentations. And actually, there's some very specific policy ideas. I think one of the things that goes across all of them, whether it's housing or climate or water, are things that we have seen, not only at local governments but

the state, is this fear and this stall and delay. And so whether it's at a local level or a state bureaucracy, we continue to see no urgency. And this no urgency, whether it's a department head, whether it's somebody who has papers on their desk that they need to move a project forward, you know, we've seen audits, reports through the state now for a handful of years that said, you know, on water wells, we've had the funding, and yet they weren't processed. We've seen high speed rail, the tunnels, middle mile. So many big things in California that we're not moving. So I will just say that I appreciate your remarks that we are out of time, and I know we have a younger generation. I'm on my last term, but some of these things we were talking about when I arrived here in 2013 and we have not made progress on them. And so unless we get out of the way of ourselves, and we get some kind of urgency, this will, in fact, be the same conversation you will be having, and some of you in the audience, because we are not moving on these projects. And the balance between environment and building, and building these big infrastructures, we have to decide, are lives important? Is housing important? Is safe water important? Is power? And especially in our vulnerable communities, if they cannot get to their jobs, if they don't have safe drinking water, all of these things, there is a road towards the center. And so I'll just end with that. You said we're out of time, we're paralyzed, and we're actually doing nothing. And I have been on these committees now for 10 years. We have to get moving, California. Thank you.

Speaking of that, I have to get moving.

Chair Buffy Wicks

Thank you, Ms. Quirk-Silva. Mr. Alvarez next, and then Ms. Petrie-Norris.

Assemblymember David Alvarez

Thank you. Appreciate all your panels. I have questions probably for all of you. I think the one though, the one comment I'll make is the theme that runs through all of the work that needs to happen that this committee will be discussing is, is one of the things that matters the most to Californians, which is the cost of living. All of these have that common theme, and so I think the committee, this select committee, is appropriate because we need to take action on things, but also because we need to be responsive to what Californians are asking for. It costs too much for water, it costs too much for housing, it costs too much for electricity. And so really, the problems that are regulatory in nature and permitting in nature, as this committee is focused on, lead to those higher costs. So I too, am looking forward to a work product with many policy recommendations to be implemented and worked on over the next year.

Let me first start with asking about housing. I do think that local governments have tried to step up in places where the state has failed. I think you see things like—I know when I was on the city council, we did inclusionary ordinances because we just have no other tools. We did regulatory reform, but we could not reform CEQA. That was something beyond our ability. And so I think our local government and people on the ground respond a lot faster than state government does, we are much slower to respond. But I also do know that the legislature has put forward many laws over the last several years, and you were touching about this, Nick,

about how only the ADU laws have had some demonstrable result. And I'm just curious, do you have a policy center—who is analyzing some of this legislation and its effects? Because I'm hearing anecdotal evidence about other laws that seem to have some interest, and some are helping to move the ball. But I do fear that we are trying to do a lot, and I think we should do a lot, but then also not really sure, you know, if it's too surgical, and therefore not really making a tremendous impact. And I'm just curious, how can we measure this as we go forward?

Nicholas Marantz, University of California, Irvine

Well, I mean, the best way to measure it would be to randomly assign policies within jurisdictions. But I don't—that doesn't seem like a way forward. Short of that, I think the Turner Center for Housing Innovation at UC Berkeley is doing a lot of excellent work to assess these policies, you know. And I would say that that there are many laws that have had small effects in very targeted areas. They are not moving the needle in the big way that state agencies and many independent analysts have identified as necessary to address the severe problem of housing affordability and homelessness in California.

And with respect to local solutions, you know, there are—as you know—there are 482 cities and 58 counties in California. Some, I think, are trying very hard to address the problem, but maybe lack the technical resources to implement effective policies. Some, quite frankly, are not trying very hard to address the problem, and, in fact, are acting in ways that magnify the problem. And certainly, state legislative effort is necessary to address those issues. And with respect to inclusionary zoning, as I said, you know, it can produce below market rate units. It can also inhibit market rate units, and it can even inhibit below market rate units, because if it prevents projects from being developed at all, then those projects won't have any market rate units or below market rate units. And so I think this is an area where it is actually quite appropriate for the legislature to make sure that local inclusionary ordinances are crafted in a way that that maximizes the benefits and minimizes some of the problems associated.

Assemblymember David Alvarez

Definitely interested in following up on that. You talked about exempting fees—again from local governments' perspective, you know, fees is what helps us build the infrastructure, our libraries, our police stations, our fire stations, our parks that make communities, and so that makes it difficult. I will note, though, on something very specific, on ADUs there continues to be a conflict, and this is maybe something for us to review. We had exempted, or attempted to exempt fees from ADUs. And I know for a fact, because they built an ADU that that's not the case. We're still paying. I had to pay almost \$15,000 for a water connection fee, just the fee, not the construction, and roughly \$5,000 for a school fee for a one bedroom unit that will not have children living in it, because it would be impossible to have multiple—more than one or two people—living at a one bedroom. That's not humane. And so the type of tenant likely will not be someone with children. So you're paying school fees for something. So that continues to be an issue. Are there others that you've identified in terms of fees that maybe are more specific?

[Nicholas Marantz, University of California, Irvine](#)

Well, I mean, actually, what I said about fees was not that multifamily development should be exempt from fees, but that fees should clearly be tied to the impacts of the development. And the problem that you're identifying with respect to your ADU is exactly the problem that I think many builders of multifamily housing experience with respect to multifamily housing, which is that they are required to pay fees that may not actually mitigate the impacts of that particular development.

And so I do think that there are a variety of ways. One would be to provide some form of state review for fees. Another would be, for example, to create an exactions budget for a municipality, for municipalities, so that they could sort of determine the total magnitude of exactions and then determine how to allocate them. There are a variety of different mechanisms, but I think that the key issue is, you know, as a result of Prop 13, among other laws, it is... local governments certainly are very constrained in terms of resources. Fees are important, but they can be abused.

[Assemblymember David Alvarez](#)

You also talked about CEQA exemptions and TPAs as one policy suggestion. I thought we had done—the legislature had done—some pretty significant work around TPAs, transit priority areas, when it comes to regulatory reform, but it sounds like there's still some barriers.

[Nicholas Marantz, University of California, Irvine](#)

So yes, I've done two research projects on this issue. There are a variety of exceptions to the exemptions and—

[Assemblymember David Alvarez](#)

Such as?

[Nicholas Marantz, University of California, Irvine](#)

So off the—I mean, basically the project has to check a large number of boxes in order to qualify, and whether it checks those boxes is often at the discretion of the local decision-maker. I would also note that the strongest predictor of whether a project will reduce vehicle miles traveled is proximity to jobs via auto. So restricting infill development to transit priority areas, I think, from the perspective of addressing both the transportation problems with California and the housing affordability problems, is probably overly restrictive. And what I'm suggesting is a straight up CEQA exemption, a map-based exemption, of infill projects over a certain unit threshold, so that the box checking is very clear.

[Assemblymember David Alvarez](#)

Definitely will follow up on those two. You talked about the—and maybe just for time, I have questions for all of you, but for time purposes, focus on the housing at the moment. No, I have to ask energy questions too. Nick, you talked about certain cities that are maybe not

participating. Is there a general theme as to what these cities look like, what parts of California they're from? Demographics? Do you are there any consistent themes?

[Nicholas Marantz, University of California, Irvine](#)

I mean, certainly, I think historically, it's been more coastal, relatively affluent communities. And I think you know, there are exceptions, but there are many instances in which that remains the case, and those are also frequently areas where more housing would have significant benefits in terms of proximity to jobs and other resources. But not exclusively, I mean, I think there are many, there are many cities that intentionally or not, you know, I think many cities unintentionally place obstacles to multi-housing.

[Assemblymember David Alvarez](#)

Thank you. Let me ask a little bit about energy. And I heard Dr. Wara, yeah, thank you. Talk about solar and wind, quite a bit. Did not hear you talk about hydrogen, although later it was brought up by Mr. Bolin. Do you have a perspective on that and what role that plays in the future energy needs of California, and whether permitting of projects related to that also need to, we need to figure out ways to streamline or to facilitate that.

[Michael Wara, Stanford University](#)

So let's see. Hydrogen is a complicated issue, because the big question that everyone should ask about any hydrogen proposal is, where'd you get your hydrogen from? Because there's a lot of hydrogen that's being offered as, like, a solution today that is not actually a climate solution, and it would be much better to just burn natural gas. So until we have large-scale proposals to produce what is called green hydrogen—and what that basically means is making hydrogen out of water, splitting the water molecule into an H₂ and an O₂ or couple, you know, get the stoichiometry right, but whatever. Until we have those kinds of projects, I think, hydrogen is not really a solution, and... so I'm excited to see that kind of technology development. I think the cost of electrolyzers, the key device that breaks that bond and makes green hydrogen, is coming down, but the reality is also that we're going to need to power those electrolyzers with a ton of renewable energy for the whole thing to actually be zero-carbon. And so I think the state should support that. The state should support pilot projects in that space, and by pilot, I mean both small-scale and much larger scale to see if it works. But we should also be clear-eyed that, you know, this is not a technology that has been used at the scale that we are contemplating it and integrated into the systems that it will need to be integrated into. Hydrogen in pipelines is, you know, in natural gas pipelines is kind of not a great solution. There's a very limited amount of hydrogen that can be put into those pipelines without causing big issues with the system. So do we want to build a hydrogen-specific pipeline system? That is a very open question.

Or would it make sense to have an electrolyzer next to a power plant that only runs on the hottest summer afternoons? And maybe it's a small electrolyzer and so it's making just enough hydrogen for that peaker to run when it needs to run. Maybe that's a solution. But I guess, I think, we're early and we can plan to use a lot of green hydrogen, but the industry does not

exist. And it's really important to be clear when something is like a model outcome where we're like, oh, we need to get to this amount of carbon by this year, so we need to have some hydrogen. That's one thing. Another thing is, are there investable, financeable projects and that we're much further away from, I would argue.

[Assemblymember David Alvarez](#)

Let me ask you about transmission. And I had written down the question before, you mentioned the phrase, which was new to me, I think correct me, reconducting?

[Michael Wara, Stanford University](#)

Reconducting.

[Assemblymember David Alvarez](#)

Reconducting, okay. I wrote the question, you talked about building new transmission lines as a need. And then my follow up in my notes was, what about enhancing existing? So then you did talk about reconducting. Let me ask, is that being done today with new installation. Or is it not, are people, is this a technology that you see in the future? Or is it actually a real technology available, or real system available?

[Michael Wara, Stanford University](#)

It's a real technology. There have been challenges with supply chain, getting, you know, getting enough wire—linear feet of wire—that you need. I would say, creating a clear and sustained demand would help to facilitate solving some of those supply chain issues. And so California could potentially be a leader in that and say, you know what? We have an older system. We have parts of our system as we all learned, much to our dismay, that were built in the 1920s, you know, and we have parts—a lot of our system was built in the 1960s. And we could take that existing system and really think systematically about reconducting a large fraction of it to strengthen the backbone, right? To strengthen our ability, like on a hot afternoon, to move power into California from the Bonneville Power Authority, which is a key external resource that we rely upon. And also to move our own power out of the state when we have too much of it. You know, on an April day at noon, we have far too much solar power, and we're—

[Assemblymember David Alvarez](#)

Sorry to interrupt. So this is a large-scale—

[Michael Wara, Stanford University](#)

Yes.

[Assemblymember David Alvarez](#)

—conducting, not transmission lines and communities and neighborhoods.

[Michael Wara, Stanford University](#)

Ah, okay, yeah, this is—yes. So they're sort of... they're essentially two systems that we have to support. There's the big system, kind of like the interstate highway system of transmission, right? And then the local roads are what we call the distribution system. This is not so much in the distribution system.

[Assemblymember David Alvarez](#)

Got it. Okay. And last one, and I'll just do housing and energy, although I have questions on water and especially on the culture of regulation, I think that's something we need to really talk more about. But ministerial and non-discretionary of solar, is that not currently state law? So there is still discretionary processes for home solar, residential solar, and small-scale commercial?

[Michael Wara, Stanford University](#)

There are important steps in the planning and permitting process where, for example, the fire department is involved, because they may want to be up on your roof if you have a house fire. There's an important permitting process involving interconnection to the distribution system—the wires in your neighborhood—that the utility controls and does in a particular way that takes time and expertise to navigate. And, in general, the permitting processes require expertise with managing the planning desk at whatever you know, local agency, and that's not true in every country, and those countries have reliable electricity systems and their rooftop solar costs a lot less. I think it is a problem that we have not worked enough on in the United States, and especially in California, where we have a lot of interest in the technology.

[Assemblymember David Alvarez](#)

Thank you. Thank you, Madam Chair.

[Chair Buffy Wicks](#)

Thank you Mr. Alvarez. We will now go to Ms. Petrie-Norris and then Mr. Carrillo. Then Mr. Bennett.

[Assemblymember Cottie Petrie-Norris](#)

Thank you Madam Chair, and thank you all for being here. Really appreciate you digging in with us and offering really concrete policy proposals. I sometimes think we have conversations, everyone says, "Gosh, we need to speed up permitting. We need reforms." And you say, okay, great, we need some ideas. So I appreciate that you guys have come with those and look forward to pursuing those. I do want to dig in a little bit more to the energy conversation.

So—and I guess Assemblymember Wood talked a bit about concerns, frustration, about the length of the transmission planning process. As you highlighted, it's taken us 10 years to build new transmission projects. We're never going to get it to one. What do you think is the right goal? Because I think it is really important for us to collectively be oriented around a goal that's ambitious but also realistic, and orient the legislature as well as our agency partners around that. So what do you think should be our goal?

Michael Wara, Stanford University

I would be thrilled if we could roughly double the rate of transmission construction in California. So you know that typically that's measured in terms of a funny unit called gigawatt miles. But, you know, there are different ways to slice it, but I think we need to roughly double what we're doing. And so you could imagine... one way to think about that is cutting the permitting time to five years from 10, right, or the average time to placing a new line in operation. Or roughly doubling the number of lines that are included in the transmission planning process at present, I think that that's kind of a rough order of magnitude of where we need to be.

I wouldn't like want to get too fixated on a particular number, because for transmission, just like for housing, place matters, right? It's also building the line that we need, not just building lines. And some of those places are particularly hard. You know, we face reliability constraints, particularly, you know, in certain parts of the state because we don't have enough transmission lines, for example, that serve the South Coast area. That means we have to keep on these once-through cooling power plants that are in EJ communities that the state is committed to getting rid of, and year after year we have to keep them around. And so the solutions there involve increasing the flexibility of the system.

Assemblymember Cottie Petrie-Norris

And then you also said we need to find new ways to pay for this. And I know this is something that we in the committee, we've been digging into a bit, but can you say a little bit more about that as well as... are there models in other states that we should be looking to? Is it the renewable energy transmission authority or, you know, are there some other models that we should be looking to?

Michael Wara, Stanford University

Well, I think, a couple of things. I think we do need to look at sources of, you know, really cost effective use of the money we do have. And, you know, one option there, I'm not necessarily saying it's—it has pros and cons—is public finance of transmission, which will lower its overall cost, because then you're not paying a rate of return to rate payers, I'm sorry, to shareholders.

Another option is really facilitating the construction of what is called merchant transmission, where a third party owns the transmission and makes money from selling, basically, you know, basically renting out the transmission capacity.

And a third option that I would—I personally think needs to be on the table—is a major state-led investment that takes greenhouse gas reduction funds and invests them in high voltage transmission. High voltage transmission is the thing that we need to achieve the clean energy transition. Whatever your views are about which energy resource—whether it's hydrogen or carbon capture, I favor enhanced geothermal—whatever it is, we're going to need to build a lot of transmission. And it's a one-time kind of investment that's driven by the policy goal set

by AB-32 and SB-32, and I guess my view would be, we should be willing to invest the resources that are generated by cap and trade in the solution that is delivering reductions in the largest magnitude.

[Assemblymember Cottie Petrie-Norris](#)

It's called the greenhouse gas reduction fund. So seems like indeed, we should be looking to maximize the amount of greenhouse gas reduced.

[Michael Wara, Stanford University](#)

It is always oversubscribed, as I'm sure you know, which is what makes this idea so hard, but it's also a growing pot of money as the price of allowances goes up.

[Assemblymember Cottie Petrie-Norris](#)

And then just one follow-up question on the conversation around grid enhancing technologies, reconductoring. We've had a bit of conversation about that this year as well, and advocates are saying we're not doing enough. We're not moving quickly enough in California. The agencies would say, "Oh yeah, we're taking all that into account. We're doing all of that." Sounds like you would perhaps more agree with the advocates. And again, are there states who we can look to who are doing a good job on that front?

[Michael Wara, Stanford University](#)

I'm not aware of a state that's taken a kind of comprehensive approach to reconductoring at this point. I do think this... like another frame to think about, like... 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. Because the reality is, you're replacing something that's there with something that looks just like it, only it has different materials that allow it to perform better, and that should not be a major CEQA process.

So really streamlining that and prioritizing projects that can be done quickly, right? Prioritizing speed, I think, is—and that's where reconductoring will shine.

[Assemblymember Cottie Petrie-Norris](#)

Yep, got it. Thank you.

[Chair Buffy Wicks](#)

Thank you. We'll do Mr. Carrillo.

[Assemblymember Juan Carrillo](#)

Thank you. I'll be brief since we have two other panels. I just wanted to make some comments on what some of you have said, that the perfect is the enemy of the state. I think that we've

really seen that, and the price for perfection is the housing crisis that we have. I see that as the main obstacle for us to continue to actually build the units that we need. When we go for perfection, there's not going to be that point. And to me, that's clearly shown by the way that we look for perfection in going through entitlement processes, financing processes, and the culture of regulating those processes. And to me, that really starts at the local level, when we see development coming in, where you have to get plan approval first, building and safety then, engineering then, and so many other different steps. There's been some improvements, some localization stuff, started to do concurrent review. That's something that is necessary. But at the same time, when we start looking at not doing anything until we feel that it's perfect, we are seeing the price for that, and that's all the unhoused people that we have across the state. And I feel the same way about hydrogen, because see, we look for that perfect moment with the three pillars being at 100% we're going to pay by not being able to electrify this state completely. I fully understand that we need to be conscientious about the environment, but when we strive to get perfection, we're suffering in other fields.

The other thing I wanted to mention is the culture that we have in California, where when I see performance from developers, when I was a planner, they would always have an area for the lawsuits from CEQA. You go through the process, internal process, but then the cost of going through the lawsuit—\$1 million or more—and that is also time consuming. Multifamily development takes seven years in average, to build 100 units. At that model, we're never going to be able to solve the crisis. I have not had the opportunity to go overseas to see what other countries are doing, like Vienna and Finland and others, and one of the issues that I see is that maybe it's the distrust that we've created. Because, from my understanding, in other countries overseas, see the government says we need to build 1000 units. People say, okay, build them. Whereas we're here in California, the NIMBY, you know, I want to build those units. I want to see those units because we need to house the people that we see on the streets, as long as you don't do it in my backyard, do it somewhere else. And I think that that's something that we created, that lacking trust in government. And I acknowledge that because of the tremendous amount of money that we put into addressing the housing crisis that we have, where is that money? It's nowhere to be seen, and if that investment showed increments of improving the situation, we would have the trust in people that we need to build these housing units. I'm from Southern California. I go to LA quite often, and I see the situation getting worse. So the trust in the people that we represent is not there anymore. I think that's the cultural problem that we face in our state. It's unfortunate, but it's the reality, and we need to find ways to gain that trust again.

And I would just close my statement by asking if you see a potential to create some sort of redevelopment mechanism to incentivize those multifamily developers, because the investment is huge. Not only again, waiting seven years to actually put a shovel in the ground to build the units, but the cost of having to go through that CEQA lawsuit that is inevitably part of the process for development. And that's something I started talking about when I got elected first term. And I wanted to see we could have that dialogue about, maybe not call it

redevelopment, but something that would incentivize our local governments from attracting those developers so that we can build the units that we need.

And again, the ADU is a perfect example of a positive move. I have an ADU, I have built an ADU on my property, and I see that being part of the solution. But again, it's not going to be enough, because we need to build the numbers that we need a multifamily housing, but no one's going to do it because it's just so expensive. It takes seven years to build 100 units, which is never going to get there. And for me, quite honestly, getting the trust in people again in having to invest more state money in addressing the housing crisis that we have is going to be a challenge that I don't believe we're going to be able to do without having to show that we can actually... having the conversations of incentivizing those that want to build housing, but it's just doesn't pencil out. So I should like to hear there's any conversations or any ways that you would suggest so that we can invest again in building the units that we need through multifamily developers.

Nicholas Marantz, University of California, Irvine

Yes. So, I am, I guess, not particularly optimistic about the prospects for a tax increment finance regime along the lines of what redevelopment was previously. And the reason is, I think, a lot from local governments perspectives, a lot of the advantages to the redevelopment regime was that it sort of circumvented the overlapping governmental demands on a limited pool of tax revenue. It also... there's an underlying accounting question about tax increment finance, which is, is the increase in value due to the investment on the parcel, or is it due to broader economic changes? And I think there's abundant evidence that, certainly in California, a lot of that increment in value was due to broader economic changes, and so probably as a matter of accounting, it wasn't justified. I think a more promising approach would be to implement parcel taxes along the lines of Mello-Roos districts for multifamily development. Mello-Roos, of course, is a key financing tool for single family development. We haven't really thought about ways of transposing it to the multifamily world. And I think that is a much more, from my perspective, a much more promising approach, and I would be glad to follow up about that as well.

Chair Buffy Wicks

Thank you. Mr. Bennett, who, by the way, is not on the committee, but who's here just for fun, and we welcome him, and he can be on the committee if he'd like.

Assemblymember Steve Bennett

Thank you very much. This has been a lot of fun. But my comments are partially focused to the Chair, and so I appreciate the invitation to be here today and reaching out. Just hearing this comment my one quick digression is just a reminder that if we're not building truly affordable housing, we're making a mistake. That's where the crisis is, and we keep having those areas subverted by turning around and building market rate housing, and we don't solve the problem that we need to solve. But that's not what I wanted to say.

The important thing that that I wanted to say is there's no doubt in my mind, giving what I know about the Chair, that you're going to come up with a work product out of this effort. And so there will be a work product. There's some comments about, "We have to create a work product." What I would like to help with, and what I think is important, is that we try to avoid the "we're going to do streamlining, environmentalists are going to try to block streamlining" effort and mentality that is out there. Because if you look at what they're doing in Denmark, where they have much more collaboration between industry, government, and the people that are very concerned like myself about the environment, is that they realize—and what we have to remind everybody—is that streamlining is actually an environmental necessity. And streamlining, doing it right, is the way to get rid of those OTC plants that are polluting in those environments. That if we don't rapidly make the changes that we need, we're going to have more environmental damage. So my appeal to everybody is, don't turn this into a battle, regardless of which side you're on. And there are people on both sides that want to turn this into a battle. Let's see if on this issue, we can get it right, but it will take death to political leadership to be able to pull that off. And that's the challenge, and I have a lot of respect for your ability to do that, and that's the role I will continue to try to play to help this process. Thank you.

Chair Buffy Wicks

Thank you, Mr. Bennett, and that's exactly the point of the committee is to bring together all different types of stakeholders to figure out how we can collaboratively figure out the solutions here and work towards solution. And yes, there will be a work product, and we would love to have you involved as much as you care to be. Do we have any other questions for this group of panelists? Yes.

Newsha Ajami, Lawrence Berkeley National Laboratory

Assemblymember, I just wanted to say, I know nobody asked about water, but since I don't want water to be forgotten, I want to say two things. You heard a lot about energy transition, and we have been in this energy transition process for the past 20–25 years, or even longer. The water piece is a lot more complex. You don't think about it as much, because everybody thinks the only way to deal with water is dams and aqueducts and peripheral canal or something like along that line. But water is much more complex and has a lot of solutions that come in different sizes and shapes. So as you're thinking about how to deal with water in the permitting process, think about modular solutions, solutions that can be built gradually, can be built locally, and actually they're not centralized. Because we do actually currently have water projects that are oversized, underutilized, and potentially may never be utilized, because of the way we are transitioning and because of the climate and the way when water comes and when it goes, it just impacts it. So just wanted to make sure think, when you're thinking about water, think about innovative water solutions, not the ones from the past century.

Chair Buffy Wicks

Okay, and our last question here. Comments from Mr. Wood, and we'll move to the next panel.

Assemblymember Jim Wood

And it's water related. So thank you. I think that one of the things that we don't do well here, is we're not planning far enough ahead for drought. So we wait until drought happens, and then we have a whole bunch of steps that we have to do to get moving on that. And then it just seems strange to me that we had to rely on an executive order to allow for storm water recharge. It's like, why? Why do we have to go through an executive order process? Why isn't that just part of our existing policy? The beneficial reuse of storm water to recharge our aquifers. I just don't get it sometimes. But anyway, I suspect there's probably a CEQA problem with that.

Chair Buffy Wicks

Thank you. Well, thank you so much for your participation, and we will definitely be back in touch. Next, and I know we are having very thorough conversations, which I definitely appreciate. I'm hoping the next couple panels, we can move a little bit more swiftly on, though we do want to hear everyone's perspective on the panel. We have our state government perspective. We will have Christopher Calfee, who I believe is in the audience coming up here, Special Counsel to the Secretary of California Natural Resources Agency and Shannan West, Housing Accountability Unit Chief, California Department of Housing and Community Development. Why don't we have Mr. Kelsey go first?

Christopher Calfee, Special Counsel to the Secretary of California Natural Resources Agency

Good morning, Madam Chair and members of the committee. Thank you very much for the opportunity to be here this morning. I am Christopher Calfee, Special Counsel to Secretary Crowfoot at the California Natural Resources Agency. The Natural Resources Agency's mission is to restore, protect, and manage the state's natural, historical, and cultural resources. We oversee and support more than 26 distinct departments, conservancies, and commissions, many of whom play a role in project permitting, including the Department of Fish and Wildlife, the Coastal Commission, and the State Lands Commission.

Thank you.

Many of our departments are also on the front lines of responding to our rapidly changing climate, including CAL FIRE, the Department of Water Resources, and the Energy Commission. The Natural Resources Agency has a long history of collaborating with state and local partners to facilitate projects of all kinds that avoid harm and provide environmental benefits to the state. This morning, I will provide a brief context for permitting that occurs within our agency, and then describe some of this administration's efforts to increase the efficiency of the permitting process.

What we commonly refer to as permitting is, in fact, implementation of values expressed by our legislature on behalf of its constituents, and in some cases, directly by the people through proposition. For example, our value for preservation of species and habitat is codified in the

California Endangered Species Act. The Department of Fish and Wildlife oversees projects that may impact endangered species and implements the value of species protection by requiring projects to mitigate impacts in order to get an incidental take permit. Other examples include the water boards protecting water quality, the Air Resources Board protecting air quality, the Coastal Commission protecting coastal resources, the Board of Forestry preserving timber resources, the State Historic Preservation Office preserving cultural resources, and many, many others. Project proponents may need approvals from each of these agencies in order, excuse me—may need approvals from each of these agencies pursuant to laws created by the legislature, and in some cases delegated by federal statute.

When we talk about permitting, we also commonly refer to processes designed to ensure public participation in decision making. One of the primary drivers behind the California Environmental Quality Act, for example, was to ensure that the public was given information about proposed projects and the potential impact of those projects on the environment and an opportunity to weigh in through written comments and public hearings. Decision-makers are required to make written findings about projects and project impacts precisely so that the public understands the reasons that those projects are approved or not, and if they disagree, the public can take action at the next election. Of course, many projects also promote public values, such as providing adequate housing, infrastructure necessary for a high standard of living, energy facilities that keep the lights on, and many, many more. And so a tension naturally exists between promoting all of our values for environmental protection, public participation, and new development of all kinds. Similar tensions may exist related to labor standards, public health, et cetera, but I focus my comments on matters within my agency's expertise. Balancing those many values occasionally requires some recalibration, particularly in the face of new circumstances. As just one example, climate change and habitat loss are happening rapidly. We know that we need to increase the pace and scale of renewable energy development, water management, and forest treatments in order to best protect ourselves from a changing climate. We have to think differently about how we preserve all of our values, which leads me to this administration's efforts to improve permitting processes.

One of Governor Newsom's very first executive actions was to direct CAL FIRE to identify California communities that were most vulnerable to wildfire and then take rapid action to reduce those risks through fuel breaks and for spending projects. Even though CEQA was suspended through an emergency declaration, CAL FIRE collaborated closely with the Department of Fish and Wildlife and the water boards to develop best management practices that would be incorporated into projects to protect environmental resources. Information about Cal Fire's work was also posted publicly on its website for full transparency. Since then, this administration has taken many steps to improve permitting processes without sacrificing our values for environmental resources or public engagement. I will describe a few here.

One very recent example is this governor's work on infrastructure. In May of last year, he issued an executive order creating a cabinet level infrastructure strike team to track progress on projects, provide a venue for resolving permitting issues, and to continue to collect ideas for

improvements. For more on the strike team's work, please feel free to visit the website build.ca.gov. At the same time, the governor also proposed a package of reforms designed to enable infrastructure projects to be built more quickly, and worked with this legislature to shape those proposals and ultimately enact those measures into law. Those included providing a streamlined judicial process for CEQA challenges, updated protections for species, and more efficient project delivery methods. Notably, one of the first projects to make use of the CEQA judicial streamlining provisions is already rapidly going through the litigation process.

Another important effort underway is the Cutting the Green Tape initiative, led by the Natural Resources Agency. Cutting Green Tape is focused on improving interagency coordination, partnerships, agency processes, and policies to allow ecological restoration and stewardship to occur more quickly, simply, and cost effectively. One example of the Cutting the Green Tape innovations was the development of a statutory exemption from CEQA for habitat restoration projects. To be eligible, such projects have to meet rigorous environmental standards, result in long-term net benefits to climate resiliency, biodiversity, and species recovery. There must also be procedures and ongoing management for the protection of the environment. And information about the projects must be publicly available. To date, 49 projects have moved forward more quickly because of that exemption, with one analysis showing that project proponents saved an average of 70, excuse me, \$77,000 per project and seven months in permitting time, while simultaneously saving state money on processing and staff times.

This is just one example of changes in how the state supports implementation of good environmental projects. There have also been several improvements in programmatic permitting, cross agency coordination and alignment on permitting processes, and efforts to align with federal partners on their permitting processes through consistency determinations and other tools that have significantly cut down time and costs for doing restoration or stewardship projects. Information on these improvements is available at the Department of Fish and Wildlife Cutting the Green Tape website, as well as external partner websites, including the California Landscape Stewardship Network, Cutting the Green Tape website, and Sustainable Conservation's Accelerating Restoration website.

Much more work continues to improve processes, even if it doesn't attract the attention of some of the items listed above. I'm happy to dive into more of those if the committee is interested. But in closing, I want to reiterate this administration is very focused on improving our processes in a way that preserves our values but allows us to move at the speed necessary to confront our growing challenges. Thank you again for the opportunity to appear, and I'm happy to answer any questions.

[Chair Buffy Wicks](#)

Thank you. Miss West, would you like to go?

[Shannan West, California Department of Housing and Community Development](#)

Yes, thank you. Hi, I'm Shannan West. I'm here on behalf of the Department of Housing and Community Development. I'm delighted to be here, and when I say that, I would like to just share with you some of my personal experience. I started my career in the private sector working for architecture and planning firms, working on permitting from that side of the desk. I worked in local government and local planning for about five years, so I've worked in current planning with applicants navigating that process, and now I'm at the Department of Housing and Community Development, working with both local governments navigating new laws, development applicants who are navigating the same laws, and I've got a little bit of extra background with the Governor's Office of Business and Economic Development, where I focus primarily on permit streamlining. So when I say I'm delighted to be here, it is with authenticity. This is literally my favorite topic.

But today I'm here on behalf of HCD, and I'd like to talk to you about our perspective. So as a state, we've been working on reforms that address the housing crisis. The legislature has made significant legislative changes in recent years, and HCD, alongside local governments, have been charged with implementation of many of these reforms. While we have made good progress, we need even more housing in the right places, and we need it faster. To this end, it is important to acknowledge our progress and explore ways to build on solutions with demonstrated success. The evidence of this progress can be found in annual progress report—or APR—data that HCD collects from cities and counties. Based on the latest APR data available submitted in April of this year, so for 2023, we have seen some impressive improvements. Housing production has increased. Total housing units completed increasing from 70,000 in 2018 to 112,000 in 2023. If we narrow that data set to include units created by streamlining provisions—so SB-35, SB-6, AB-2011—we can observe an increase from approximately 5,000 units in 2018 to 8,500 units in 2023. And if we slice the data to focus on deed-restricted units, those are created out of inclusionary housing ordinances or state density bonus law, we can observe an increase from approximately 30,000 units in 2018 to 50,000 in 2023.

Meanwhile, project timelines have been decreasing. We measure this in three different segments. One is submittal to entitlement, the other from entitlement to permit, and finally, permit to completion. And all of these timeframes are decreasing. Submittal to entitlement is decreased from 145 days to 64 days in 2023, entitlement to permitted has gone from 117 to 85 days from 2018 to 2023, and, finally, permitted to completion has decreased from 265 days to 178 days. It's been mentioned here already this morning, accessory dwelling unit permitting is really impressive. From approximately 9,000 units permitted in 2018 to 28,000 in 2023. Is this evidence that we've solved the state's problem? Obviously not. We're all here because we've got work to do. But it does show that our collective efforts are nudging trends in the right direction, and we're ready to keep going.

Our administration has undertaken a multi-faceted approach to tackle our need for housing, addressing housing elements, promoting pro-housing policies, allocating substantial funding to catalyze changes, and holding local governments accountable to their responsibilities to

comply with state housing laws. Housing elements are local housing plans in which cities and counties identify how they are going to meet their housing need. This tool requires cities to identify their housing needs and plan accordingly. Cities must identify potential housing sites and then zone for their future housing needs. Currently, all cities and counties throughout the state are in the process of updating their housing elements. HCD then reviews and approves them. As of today, 66% of jurisdictions have approved housing elements, and 34% of them are on their way. HCD provides support to jurisdictions through the process, guiding them to compliance with state housing laws. This collaboration has resulted in significant strides, with many jurisdictions demonstrating a commendable commitment to creating effective housing elements. The success stories are numerous, highlighting innovative strategies such as adoption of missing middle housing solutions and overcoming local resistance through effective policy making.

In addition, recognizing and rewarding jurisdictions that go above and beyond their housing element, the pro-housing designation program remains an innovative program for removing development barriers and incentivizing housing production. We've witnessed 50 jurisdictions earn the coveted pro-housing designation as of June 1 of this year, signaling their dedication to accelerating affordable housing production and preservation. The pro-housing incentive program further incentivizes designated local governments by providing additional funding and priority processing in various housing and community development programs. As of June 1, we are finishing the second round of funding through this program, and a third round is anticipated later this year. The pro-housing incentive program has encouraged jurisdictions to embrace innovative solutions by funding pre-development activities, providing matching funds for local and regional trust funds, home ownership opportunities, and permanent supportive housing, and more.

However, our journey at HCD does not end with the designations and incentives. We understand the complexities faced by local jurisdictions and we are here as partners, not adversaries. HCD has extended substantial financial support, allocating over a billion dollars in planning grants and infrastructure funding. We are committed to assisting local governments and navigating challenges and unlocking the true potential of their communities. Once the planning work is done, the rubber meets the road in local permitting processes. HCD's Housing Accountability Unit—or HAU—works with housing developers and local governments to ensure housing development applications are being processed consistent with state housing laws. Since its inception, the HAU has unlocked 23,000 housing units. Because local permitting processes can be a real barrier to meeting our collective housing goals, the legislature has passed several bills that require streamlined ministerial review of qualified housing development applications, and it entrusted enforcement of those provisions with HCD. The HCD provides technical assistance to housing developers and local governments about these laws and when necessary, issues notices of violation and makes referrals to the attorney general.

As a reminder—and you may not need it, but I'm going to say it anyway—there are some recent streamlining provisions, including SB-35 from 2017, which requires streamlined ministerial approval for developments in localities that have not yet made sufficient progress toward their allocation of the regional housing need. The Affordable Housing and High Road Jobs Act, or AB-2011 of 2022, require streamlined ministerial approval for multifamily developments that are either 100% affordable on property zoned for commercial uses or mixed income projects that abut commercial corridors, and streamlining provisions for by-right supportive housing. AB-2162 of 2018 requires supportive housing to be allowed as a use by right in zones where multifamily and mixed use are permitted. These streamlining statutes create pathways that allow projects to move forward without being subject to lengthy and costly environmental review processes under CEQA. Each of these statutes have been crafted to exclude sites with environmental sensitivities. In addition to streamlining statutes, the legislature has taken steps to increase transparency for housing developers and limit delays on processing of housing development projects. The Housing Crisis Act of 2019 created the five hearing rule, which prohibits a local government from holding more than five hearings to consider a proposed housing development project if the project complies with all applicable objective general plan and zoning standards.

The Permit Streamlining Act, or PSA, has existed since the 1970s however, HCD's enforcement authority over the PSA is relatively new. The PSA was designed to increase transparency and consistency in the local permitting process. The PSA requires local jurisdictions to provide applicants a submittal checklist. The PSA also limits the amount of time local governments have to review applications for completeness. This is important because many housing statutes use application completeness as the threshold to freeze applicable standards and, in some cases, start the clock on processing time. While the PSA has existed for decades, it has been consistently ignored. With HCD's increased authority to enforce key parts of the PSA, housing applicants are finding more success and holding jurisdictions accountable to prescribed time limits. The preliminary application process created by the Housing Crisis Act of 2019 is nested within the Permit Streamlining Act and provides developers who submit preliminary applications with more certainty about what fees and standards will apply to their projects. Notably, this is also the process that locks in the status of a jurisdiction's housing element at the time of preliminary application submittal. This matters because the Housing Accountability Act limits a jurisdiction without a compliant housing element from denying a qualifying housing project for inconsistency with objective general plan and zoning standards. This is known by the development community as the Builder's Remedy.

In sum, the data I shared at the beginning of my presentation demonstrates the successes of the legislature and the governor's efforts to remove barriers and build more housing for Californians of every income level. HCD and the Housing Accountability Unit remain committed to assisting local governments and implementing state housing laws and assisting housing developers who face unlawful delays and denials. The Department is excited to implement further reforms and work in partnership with local jurisdictions to build more and solve our housing affordability crisis. That concludes my testimony.

Chair Buffy Wicks

Thank you. I want to first open it up to any of my colleagues. I have a couple questions, but Mr. Carrillo? Ms. Petrie-Norris next.

Assemblymember Juan Carrillo

Thank you. It is encouraging to see the progress that's been made in housing production. And as you noted, we need to improve even more. And I believe you said, 130,000 units have been built in 2023. The SCAG region—Southern California Association of Governments—was assigned 1.3 million units. At this rate, if this 130,000 units were built in the SCAG region, we would be in good shape. But this number—130,000—is statewide. Appreciate the information that we've made that progress in increasing number of units, but also, as you noted, we need to improve more, and that's where the transparency issue comes in, as far as how these units are designated. I serve on the ECHA committee, the allocation of the RHNA numbers in the SCAG region, and we have really contentious meetings because the numbers that were assigned just didn't make any sense, because we were not able to get clear information on how these numbers came about. But I appreciate the numbers that you gave us. We're making improvements. Still a long way to go, and I just wanted to say that thank you for sharing those numbers, and it's refreshing to see that we're making progress. But again, we still need to work even harder to make sure that we build those number of units. So thank you.

Chair Buffy Wicks

Thank you. Ms. Petrie-Norris?

Assemblymember Cottie Petrie-Norris

And I thank both of you all for being here. And Ms. West. I hope what I'm going to say isn't, you know, isn't going to come as a complete surprise. But I have to say, I have found, kind of, the housing element process, the RHNA process, to be pretty confounding. And I guess, in my view, somewhat just nonsensically, like, elaborate, confusing, labyrinthian because the fundamental reality is like, cities don't build houses. Cities can help facilitate an environment where houses can get built, you know, more quickly or more slowly. And I will say that even, you know, some of my cities who are very pro-housing, who have, like, put initiatives on the ballot to support more housing, do report back that they feel like there's a combative relationship with HCD. And so I would love, yeah, I would love to see HCD kind of take on more of a consultative role and more of a role as a clearinghouse, because you're seeing, you know, what every city in the state is doing. So I think you have an opportunity to identify best practices, to help like, you know, put together model ordinances to really be a resource, almost like a small business development center model, rather than kind of a gotcha model. So I would just sort of leave you with that. I think it's—and I really appreciate, you know, the work that you've done, and we certainly want every city to do their fair share, but I would love for it to feel like the state is partnering with our cities to get that done, rather than, you know, sort of viewing it as combative.

So I'd love to hear about what you are doing to be a resource for our cities, and what sort of things you're doing to, like, I said, be a clearinghouse for best practices and help more of our cities who want to do the right thing, do the right thing.

Shannan West, California Department of Housing and Community Development

Yeah, I'm happy to address that. You know, our housing element team is full of people, and people have personalities, and I think we should acknowledge that that is part of the equation here, right? But overall, we certainly approach our interactions in the spirit of technical assistance. That includes during housing element preparation, while we're reviewing housing element drafts, and adopted drafts, and further into implementation of programs. I think some of the challenges of housing element compliance is, indeed, the laws are complex. They've changed a lot just for the sixth cycle. So in the beginning of the housing element cycle, there was a lot of challenges about how to even implement these brand new parts of statute.

I would like to say, I hope that it's true, that our HCD staff are getting better at being more clear about what the expectations are, because clarity is certainly something that when we're talking about permitting or we're talking about housing elements, if you're on the other end of needing something to be approved, you just need just need to know what the rules are. HCD does have tools available, both on our website, in the people that you can contact. We have something called Building Blocks. Some of it does include model programs that can be included in housing elements. We also have technical assistance that includes, I believe, some model ordinances, but certainly some best practices. Are they easy to find on our website? Maybe not if you're not aware of them, but we do have resources like that, and I'd be glad to follow up with you to provide some of those tools.

Chair Buffy Wicks

Mr. Wood?

Assemblymember Jim Wood

Thank you. Thank you to you both. Appreciate you being here and your comments. This is just a question to Mr. Calfee. What is the—Natural Resources Agency is broad. It covers a lot. Are there concerted efforts towards programmatic compliance with some of the challenges we're facing? I have heard over the years that environmental restoration projects require CEQA analyses for projects that may only be separated by, you know, 100 yards, but have to go through separate CEQA analyses. And I know there have been efforts in that regard as well. But is there a concerted effort by this administration to look at more programmatic ways of complying with CEQA so that we can be more efficient, still comply with CEQA, yet eliminate some of the time that it takes. Because the time is money and challenge. And if you've got agents groups out there trying to do the right thing, especially on habitat restoration projects, having them having to spend more money and more time is counterproductive to the mission of what a lot of—a lot of the values that we hold. So is there a concerted effort towards that agency-wide, and how does that trickle down to the individual departments?

Christopher Calfee, Special Counsel to the Secretary of California Natural Resources Agency

I appreciate the question. And yes, there are, there are good examples of that type of programmatic thinking. One that I will share is the California Vegetation Treatment Program and the Board of Forestry has developed a programmatic EIR that covers 20 million acres in the state of different forest types, the idea being to study the impacts of various vegetation treatment, including prescribed burns, mastication, forest thinning, et cetera. Now that that document is in place, individual projects can look back at that programmatic review and go through a checklist to see if there's anything that that review missed or that's site specific, and only focus on that. As a result, various vegetation treatment program, or excuse me, projects have gone through in months instead of years. Another innovation from that is now that that programmatic review is in place, the Board of Forestry has been able to cooperate with the water boards, and water board has adopted a general permit that covers water quality permitting for projects that are using the CalVTP EIR, so they're not having to get individual waste discharge permits. With that experience fresh in mind, we are also working closely with the Coastal Commission to see what of their processes can be best linked up to the work of the CalVTP EIR, again, with the idea of making these projects move much more quickly. So in my estimation, we've learned quite a bit through that process, and can use that as a model.

Assemblymember Jim Wood

Appreciate that, and I am aware of that. I think that getting to that point where that process was almost a decade in the making and so great that it's working now, but we've got other challenges. We don't have necessarily a decade to come up with policies to help us streamline—you know, housing, we don't have a decade to come up with policies to streamline energy transmission and building that out. So appreciate that. And you are right. Those are absolutely valuable projects. We would just like to—I would just like, for one—to see that we can find a way to compel government to move faster, because we don't have a decade to accomplish these others. It's great that we're piggybacking off of that. And there's a value to that, tremendous value to that. So I thank you for that, but hope you can see my point is that took—that was a knockdown, drag out fight for over a decade, almost a decade or over a decade. When I first came to the legislature, we were talking about that, and I'm in my 10th year. So I think the challenge we find is that that's great policy, but how do we get to great policy faster and make it more efficient and effective so that we can move forward on these other issues?

Christopher Calfee, Special Counsel to the Secretary of California Natural Resources Agency

Completely appreciate that point, and that is absolutely a focus of ours at agency. A thing that I'll say about perhaps a reason that it took as long as it did to get to this point is, again, in my remarks I talked about the different values that are at stake. And so to get to the document that we have now, it took a lot of close collaboration between CAL FIRE, Board of Forestry, Department of Fish and Wildlife, Parks, and many, many others to resolve, how do we conduct the vegetation treatment work that we need to and protect species? And through that process, we have people working together in a way that they hadn't historically, and that, I would say, is

another innovation in this administration is really looking at these things as we are one state team trying to get to an objective, and we're seeing the results.

[Assemblymember Jim Wood](#)

Thank you.

[Chair Buffy Wicks](#)

Appreciate that. And I was just, you know, well—when I align my comments with yours, Mr. Wood. You know, one of the previous panels, and I think you guys were listening to the previous panel that talked about the culture of regulation, and I think, you know, we are operating under a fierce urgency of now, when we see 180,000 homeless individuals on our streets and people leaving California because they can't afford to live here, when we're seeing the climate impacts, all the stuff that we need to do with regard to the grid and the transmission and the renewable energy projects that we need to permit. And when you talk to folks who are in solar and wind and these large, large-scale utility projects, if it's taking 10–15, years to permit these projects, we're not going to reach the climate goals. And I think what you said earlier, Ms. Petrie-Norris, where there's like a gulf between our ambition and reality, and our values and our actual implementation of that is, I think, some of the stuff that we're really trying to flush out here. So I appreciate your willingness to be here and a lot of the good work that you have done in these agencies to try to expedite this stuff. You know, I just have a three- and a seven-year-old that we're trying to, like, make the world better for them, and they're growing up quickly, so we want to make sure that by the time, you know, they have children that California is the California that we all want to see here. So appreciate you all being here. Any other last remarks from colleagues?

Okay, we will now move to our third panel. Yeah, and I believe they will be joining via Zoom, or technological advancements, from Denmark and New York. They won't be here in person today, so whoever's doing the tech, please feel free to pipe them in if they're still here. We have Lars Møller Christiansen, Danish Environmental Protection Agency and Gillian Black, New York State Energy Research and Development Authority.

[Lars Møller Christiansen, Danish Environmental Protection Agency](#)

Yes.

[Chair Buffy Wicks](#)

I think we're—oh, there we go. Okay, Mr. Christiansen, if you'd like to begin.

[Lars Møller Christiansen, Danish Environmental Protection Agency](#)

Oh, thank you very much. My name is Lars Møller, and I'm Deputy at Miljøstyrelsen, the Danish EPA. I'm glad to be here to be able to share some of the Danish experiences. I'm going to talk a little bit about speeding up the permitting processes in Denmark with digitization. I'll focus on the main points as I understand we have my presentation for further detail. First, I'll say a

little bit about the Danish context. Then I'll say more about what we have done in at the state level, and then I'll be able to take some questions if you have some.

So first, a little bit about the Danish context. In Denmark, we have a broad coalition of classes in the parliament that have set some rather ambitious goals on renewable electricity. One of goals is to four double the wind farm capacity on land and solar capacity on land within 2030. And on the sea, the same goal is to five double capacity for wind farms on the sea.

Also, the government has proposed to make the 32 energy parks national wide with a special permission from the state level. So in the Danish system, the Danish EPA is responsible for environmental assessments—or EAs—of constructions projects from all state agencies. This includes Energinet, that is responsible for the gas and electricity network in Denmark. So we have actually own purchasing process on the environmental side for the national projects for electricity lines and so forth. And as you've heard today, the infrastructure electricity and so forth is very important to the green transition. So there's a lot of focus in this, also from the parliament and so forth. Also, we have a small organization in Denmark called the Danish Environmental Portal that supports both the state level and the local levels, with the base time on environment and nature-related instance to environmental assessments. So that's just to give you a short presentation of the concept.

So what have we done at the state level to speed up processes? Well, first of all, we have changed legislative initiatives in order to speed up processes, reduce process time, and this includes simplifications of legislative steps and also better guidance for case workers, both on the state level and locally. And also in the Danish EPA, we have digitized the process with, for instance, Energinet and other state actors in order to speed up time, and I will get back to that in a little... in a moment. The third initiative is the development of environmental assessment hubs and tools on Danish Environmental Portal. And finally, we are currently both working on and also using AI on these tools that are mentioned to speed up processes. All this is to make faster and better decisions, so shortening the time from political decision to realizations of the effects. So firstly, one of the things that we learned was through a digitized the process, the permitting process, with the Energinet. And actually what we did was, together with our supplier to make an online application for the environmental assessment. So now we get the application from the beginning with all the necessary data available. Also we have a digital process of approving the application within the game, which means we have an efficient internal case flow, supporting full process, creating full transparency, overview, and with checklist, automated documentations, et cetera.

On the other hand, the Energinet, they have full access to their own cases, data about their own cases, so they can see where the case is in the process. This also reduces the available process time. So what are the results? Well, we can see already that we have increased the efficiency and reduce the process time. Also we expect fewer cases that are to be turned down in comparison. And this last point is very important, because one of the time-consuming

problems with the permitting processes is often that we make mistakes, so we are turned down in certain parts, and we have to start all over, losing precious time.

And I think permitting processes in Denmark are already shorter than the ones you mentioned in California, five to 10 years. I think we have a number of three to seven years on some of these projects, sometimes even shorter in the best... and we hope to reduce this further by this size through these processes. So on top of the casework and so forth, we also want to use AI to further speed up the processes. And for instance, we think AI can help us look for patterns, help us finding known slow starters, such as habitats or endangered species and so forth. So we are very optimistic about the further reducing process by using AI.

So what I talked about now was digitization of the permitting processes. Now I'll transfer to the data foundations for some of these default processes. So in Denmark we have, as I said, the Danish Environmental Portal. All organizations together, all environmental and nature data in Denmark. And within this organization, we have made what we call an EA hub, environmental hub, where we actually gather all existing environmental assessments in Denmark. And this is interesting, not only because we can reduce the data for specific areas, but also because we have training data for use AI on, so we have a valuable source of training there.

Also, we created the EA tool, which is actually a simple tool, so a developer or a local authority or the state authority can go to the tool and draw the area where you want to put, for instance, a wind farm and a solar farm. There, you can see instantly what data are all available. For instance, for endangered species. And so this... it doesn't solve all problems, but it makes access to available data faster. So I think also AI on top of these data will further enhance the process. So to some state level, we have worked intensively digitizing the processes, but also the data we are currently used developing further the use AI and on top. And I think it is some of these experiences that we have had in Denmark are transferable to also to an American or Californian context. For instance, digitizing the permitting processes and also gathering data, it can be done. And I think some immediate gains were as from it, when you talk about speeding up.

So that was a short presentation. I'm happy to take any questions if you have some.

[Chair Buffy Wicks](#)

Thank you very much. Next, we have Gillian Black from the New York State Energy Research and Development Authority.

[Gillian Black, New York State Energy Research and Development Authority](#)

Hi, thank you for having me. Can you hear me okay?

[Chair Buffy Wicks](#)

We can hear you. We just can't quite see you yet. But give us one second here.

[Gillian Black, New York State Energy Research and Development Authority](#)
Okay.

[Chair Buffy Wicks](#)
Sorry, give us a second.

[Gillian Black, New York State Energy Research and Development Authority](#)
Okay.

[Chair Buffy Wicks](#)
Yeah, I think it's going to pop up once you start speaking. If you could speak up a little bit more, that'd be great.

[Gillian Black, New York State Energy Research and Development Authority](#)
Sure is that better? Can you hear me?

[Chair Buffy Wicks](#)
A little bit louder would be ideal.

[Gillian Black, New York State Energy Research and Development Authority](#)
Okay. I'm changing my inputs, how's that?

[Chair Buffy Wicks](#)
Oh, now we see you. Great. Okay.

[Gillian Black, New York State Energy Research and Development Authority](#)
Excellent. Great. Well, hi, thank you for having me. It's been a pleasure to listen to all the presenters and all these great questions. My name is Gillian Black. I'm the director of the Build-Ready Program, part of the large-scale renewables group at NYSERDA, New York State Energy Research and Development Authority. We're a state authority that basically manages energy policy in the state. My program, the Build-Ready Program, was established in late 2020 to address difficult sites throughout the state that the private sector was not addressing.

We were given the ability and the mandate to originate sites, difficult sites like brownfields, landfills, old fossil fuel generator sites that are closing, closing prisons, parking lot, centers, mines, where we really should have renewable energy projects developed, but the private sector was not doing so because they were too costly, too bureaucratic, or whatever. So we put our program together, and we've been chasing sites, bringing them to the market. We also take nominations from, typically from municipalities, from other agencies, some private sector players. And we're a bit of a skunk works within NYSERDA in that we've developed this little private development shop, and we're running through all of the parallel pathways that the private sector would as developers in utility interconnection, site control, through land leases

or purchase options. We negotiate all the tax pilots, payments in lieu of taxes with the local taxing jurisdictions. Do all the environmental regulatory, permitting, et cetera.

And then at the end of the process, once we have a project that's ready to go, which has received notice to proceed, essentially, put it out to the private sector in a competitive solicitation and RFP whereby private sector independent power producers bid on the amount of incentive required such that they meet their required rates of return. So we grant that incentive in the form of a 20-year renewable energy certificate contract. This REC is available through our standard tier-one group for terrestrial wind and solar of the larger scale, but it's a competitive process, typically in the private sector. So we're kind of the orphan drug manufacturer of the industry here, in that we find these orphan sites and we bring them to market, and we are allowed to award them at a higher value. You can award a higher rent contract to make sure that these valuable brownfields turn into renewable generation assets. So it's really a public private partnership. And yeah, that's me. That's what we do.

Chair Buffy Wicks

Thank you very much. I want to bring it back to the committee to see if there are any questions. We have one from Mr. Alvarez.

Assemblymember David Alvarez

Thank you. I have a question to our first presenter. On slide four, which we have before us, from your presentation you provided to us. You talked about simplifications and better guidance for case work. This sort of, to me, sounds a little bit like the culture of regulation issue that we heard from a presenter earlier. Can you further clarify what you mean by the simplifications and better guidance for case workers?

Lars Møller Christiansen, Danish Environmental Protection Agency

Yes, actually, it's a lot of different initiatives. Some of them start at the EU level, a little bit like your federal level. So some of the EU initiatives are taken there to speed up processes, but also at the national level, we have some possibilities to reduce process time. And those we have in national legislation, for instance, broadening hearing periods and so forth. The third level is the actual guidance that we give from the Danish EPA to local authority and to developers about how to tackle, for instance, endangered species—that could be bats, for instance, that are affected by wind farms and so forth. So at all these levels, there are some substantive cases that are to be made that would speed up.

Assemblymember David Alvarez

What exactly were the legislative changes on the timing? You said, there was state-level changes on time.

Lars Møller Christiansen, Danish Environmental Protection Agency

Some of them are hearing periods in different types of processes. As for instance, as I mentioned, we had some states, national develop state permitted areas for energy. So these areas, we have special rules that can speed up product.

[Assemblymember David Alvarez](#)

Okay, on your digitizing initiatives are you on a... is this a public portal, or is this available only to agencies within the government?

[Lars Møller Christiansen, Danish Environmental Protection Agency](#)

No, it's a public portal. So also, these data are available for developers, for ordinary citizens and so forth, because people who use these models are often people with a purpose, that could be public organizations, authorities, it could be developers, the private contractors, and so forth. But in general, these data are made freely available once they are gathered and the quality assured, we put them also available. Data has huge, 100% the value to be reused in different settings.

[Assemblymember David Alvarez](#)

And the energy assessments that you included to be used widely. How long did it take for you to develop that, and how difficult was it to develop that, given you probably had a more similar to us process with individual agencies doing their own analyses.

[Lars Møller Christiansen, Danish Environmental Protection Agency](#)

Well, actually, I don't think the development was that difficult. We use standard software as part of our general digitization process. We have had a lot of different processes in the Danish EPA, Environmental Assessment is only one of them, but we have some standard software that we use to digitize this process as well. And I think it was done in six months, or something like that, with an end-to-end. We had the first question since we developed further on that solutions, and we are currently working together with our supplier to develop the solution and establish AI functions and so forth. So this is a journey, and we started it, I think, two years ago, within a half year, we had the first process to run up, and we're developing these things.

[Assemblymember David Alvarez](#)

Thank you. Mr. Black, a question on the... I found it really, actually, fascinating. So you're identifying underutilized assets that are primarily, I assume, public assets, but not necessarily public assets. And then you are—you very briefly, and so I kind of really didn't understand—you assess them, and you sort of prepare them to then go out for competitive bid. Is it for sites, for a location of large-scale, mainly energy infrastructure projects?

[Gillian Black, New York State Energy Research and Development Authority](#)

Yes, yes, we focus mostly on solar and energy storage. We've just received approval to develop standalone storage projects, battery energy storage. We have a lot of leeway to look at other renewables, but we focused on those.

[Assemblymember David Alvarez](#)

So you identify those, and then you do some assessment of them, and then you make them basically attractive to the private sector.

[Gillian Black, New York State Energy Research and Development Authority](#)

That's right. We complete turnkey development, de-risking and development, from start to finish. And then the winning bidder of our RFP finalizes the construction drawing, finances, builds, owns, and operates the system. And then NYSERDA holds the rent contract, and we pay them for the environmental attributes that are produced by that project. And then we retire those renewable energy attributes through our normal system, the NYGATS system.

[Assemblymember David Alvarez](#)

Okay, so you do all the permitting, all the stuff that is the nightmare scenario of a brownfield when you want to build anything on there, you address all that. And you're essentially, is it ready for architectural renderings and... or is it ready, shovel-ready stage?

[Gillian Black, New York State Energy Research and Development Authority](#)

So they're not quite shovel-ready, you would take them through approved permit drawings, but the winning bidder would actually develop the construction drawings issued for construction, and they would pull the permits and procure the equipment, build it, manage it, et cetera.

[Assemblymember David Alvarez](#)

Does New York SERDA assist them in the permitting process, like you go with them? Or are they then off on their own?

[Gillian Black, New York State Energy Research and Development Authority](#)

They're off on their own. At that point they just need to submit drawings and pull the permits.

[Assemblymember David Alvarez](#)

But it's just building permits? It's not, like, some other major permits. It's just construction permits.

[Gillian Black, New York State Energy Research and Development Authority](#)

That's right, but with driveway permits, or if we need easements and rights-of-way for interconnection wiring, we would negotiate those up until a point, and then they would finalize them.

[Assemblymember David Alvarez](#)

So it's really, you really do the major entitlement for them.

[Gillian Black, New York State Energy Research and Development Authority](#)

This is correct. Yes.

[Assemblymember David Alvarez](#)

Interesting. Thank you.

[Gillian Black, New York State Energy Research and Development Authority](#)

Sure.

[Chair Buffy Wicks](#)

Thank you. Any other questions from other committee members? Well, thank you both for joining virtually. We appreciate the participation, and we will look forward to lessons learned from other places such as New York and Denmark.

Okay, we will be—thank you—we will be moving now to our last. We're calling this our rapid-fire speed round, where we have a handful of folks who are going to be providing very brief testimony at the main mic up here. And I'll let you all self-introduce and give your sort of top line thoughts. I also want to just note that we'll be having many intentional one-on-one conversations as we put together the work product for this. That will include lengthier conversations from you all that are testifying today. But we wanted to give an opportunity of some practitioners in the field.

And so if you want to feel free and line up, those of you who we queued up to provide some very brief remarks, that would be great. And then we will go to public comment after that.

[Nevada Merriman, MidPen Housing](#)

Hi, good afternoon—I think it's afternoon. Nevada Merriman, Vice President of Policy and Advocacy for MidPen Housing. Since we began 50 years ago, we have 125 communities, and I'll just move along a little more quickly.

The state housing legislation has been a game changer. And although we have been able to move through certain parts of the process much more quickly, we still need some innovation when it comes to actually implementing these and, you know, having them live up to their full potential. Getting stuck in our permitting system at any place is costly. Bankers don't hold their interest rates. Construction companies don't hold their pricing for a year or two years in advance. And then there are also costs, to pick up on what the Chair was talking about at the beginning, delay to bringing the homes online and also basically just making it so costly that you're going to end up having fewer units.

I shared examples about the coastal zone where we, in a project in Moss Beach, are going on our 8th year of pre-development and are currently tied up in complicated legal proceedings. This is for a project that was identified many years ago in the fourth cycle of the housing element. And had we not been able to access a law from somebody on your committee, Assemblymember Alvarez, in order to get the CEQA exemption for 100% affordable housing, essentially pulling our other EIR equivalent process and resubmitting under this, I think we

would still not have our coastal development permit and a host of other approvals that needed to come with that.

So the ways that our state—moving a little bit further along—the ways that a lot of our state agencies interface with each other, also provide a lot of delay. A previous speaker talked about how they are stacked on top of each other instead of somehow streamlined. And these agencies can't rely upon the work that other agencies do. They can't rely upon the work that their local cities do and tier off of that. So I have some examples I can send to Steve, Mr. Wertheim, here around what Department of Toxic Substances Control, San Francisco Bay Regional Water Quality, San Francisco Bay Conservation and Development Commission, and a host of these agencies. I've counted 21 that I have touched during my career as a developer. And each project has its own collection of these.

But at times, why we need to work with these agencies almost defies common sense. For instance, with a project in Foster City, we were not adjacent to the Bay. We were pulled further off in the high tension, high voltage power lines that run up and down the San Francisco Peninsula had depressed the soil, and that little depression was called a seasonal wetland for migratory birds. And for this reason, we needed to go through about a year—we almost didn't make it, we almost lost our tax credit financing. So, you know, I'll leave it at that to draw your conclusions.

Chair Buffy Wicks

We would definitely love your input in the paper that we want to put together, because I'm sure you have endless examples of similar situations, of things that maybe don't—seem a little nonsensical.

Nevada Merriman, MidPen Housing

Absolutely. But just to move to solutions, since I know I have other folks that are here. Clear exemptions, like the one we were able to access in the coastal zone, they are powerful. Having a way for staff to be able to rely upon each other's work, because oftentimes we have staff members that have an incredible amount of integrity. They are our partners. We are happy with the work that they are trying to do, and yet they don't have a way to sign off on something between either the city and the state agencies... And so, even with all of this professionalism, oftentimes we can't take advantage of things like the ministerial processing that's permitted under some of these land use streamlining bills. So something that should take three months, that's delivering permanent support of housing for folks who are homeless, is going to take a year, because that alignment's not there, kind of top to bottom.

I would love to see mandated timeframes for response. Mandate PG&E to consider affordable housing priority infrastructure and help us remove that barrier. And the last one, I'll say, is potentially the most important for affordable housing, but consolidating the state housing finance agencies. Having some kind of a function within wherever that would land that would act as a producer or a ringleader of some of these interagency issues. You know, if that was

successful, maybe it could be scaled up to also help market rate development, because the lack of market rate development also exacerbates the need for affordable housing, and cities and affordable housing developers can't take that on alone. So thank you.

Chair Buffy Wicks

Thank you.

Keith Dunn, Sites Reservoir Project Authority

Thank you, Madam Chair, Members. Keith Dunn here for the Sites Reservoir Project Authority. I'm taking a little different twist than most of our previous speakers and having some good news to share. You know, I'd love to sit here and take on CEQA and all the various challenges that come with that, but, you know, our values here in California make project development difficult sometimes.

I will say that thanks to this Legislature and the leadership of the Governor and SB-149 last year, Sites Reservoir is the first project to take advantage of a streamlined review, judicial review, of our CEQA document. I will tell you that that process has moved forward successfully. June 3, we had an initial hearing in which the document that the Reservoir Authority put forward was upheld 100%. There's a process within the judicial streamlining for an appeal. That process is moving forward. We're anticipating that that will be resolved one way or another by early fall, late summer. This process to date has probably shaved off about 18 months, which equates to tens of millions of dollars.

You know, I'm not here to say that we couldn't use reforms in many different areas, but I can tell you that much like a drug court or other special courts, this process has really, with the guardrails of 270 days of review and approval, shaved off substantial time. It is something that's going to allow us to move forward and build Sites Reservoir. I would be remiss if I didn't say that due to our climate whiplash and the warmer summers with the winds, we have a fire burning in the Sites Valley today, pretty extensively. As of yet, has no containment. We have fires all throughout our state. We're seeing more and more with our climate change, these warm winds that come in. We've got a warmer winter with less snowpack. And Sites Reservoir, had it been ready to be filled, would the last two years been filled with 700,000 acre feet of water. So this is an important project for the state.

I think there are ways to uphold our environmental values, which all of you get to talk about in various policy hearings and put your thumb on different priorities. And that's a tough decision for you all to make. But I can tell you that there is a process that you've established with the review and challenges, once those documents have been produced, that can expedite and make real progress. And again, you got to have guardrails around a real document. You can't go light on your CEQA documents or your community outreach, but if you do it right, you can go through the judicial review and hold up the documents.

So Sites is very pleased with the progress with 149. I hope other projects can qualify for that expedited review. But Sites Reservoir has been a beneficiary, and this Legislature and Governor had a lot to do with making that available. So on behalf of Sites, they thank you. I think that it's worth exploring for other large projects. It wouldn't work for smaller projects, but certainly for projects that are substantial. Expedited judicial review could be cost savings while upholding the values of the community that are being impacted by those developments. So thank you.

Chair Buffy Wicks

Thank you.

Margo Bradish, Cox Castle & Nicholson

Good morning, or at least I hope it's still morning. Might be afternoon by now. My name is Margo Bradish. I'm a partner with the law firm of Cox, Castle & Nicholson, and I focus on entitlements for infill projects, primarily in the Bay Area. Thank you, Chair Wicks and members of the committee, for inviting me to share a little bit on the developer perspective on some of the obstacles to housing production through the permitting process.

I think a lot of the earlier speakers touched on the fact that we have a permitting process that is designed to achieve a lot of really important objectives, like climate change and equity, affordability, and that oftentimes it's working at cross-purposes to those goals and resulting in the exact opposite outcomes. So I'd like to focus on two issues, really. I'll touch briefly on the Surplus Land Act also. But the two issues that I'd really like to focus on are sort of the impact of delay and risk on developers, as well as this concept of meeting the market with what we're allowing developers to build.

In terms of delay, you know, the entitlement timeline in the Bay Area ranges from about 12 months to three years or even more for complicated projects. During that—and CEQA and CEQA litigation are obviously a major part of that. I mean, that's not including litigation timelines, which can add three years to the process. And during that time, the risks change dramatically, right? The housing market could shift, interest rates could change, construction costs could increase. And the result is that developers have to plan for those possibilities. And as a result, their pro formas are very conservative, because they have to be able to absorb those kinds of risks. And it means that at a lot of times, projects just don't pencil that otherwise could, because of those conservative pro formas.

And in addition, California faces substantial competition for capital deployment. A lot of our homebuilders are nationwide home builders. They're looking at where they can deploy capital throughout the country. We used to think of California and the home building side as high risk, high reward. And now we think of it as sort of like extremely high risk, medium reward. And all these builders can go to other states and have home run after home run after home run. So we need to find a way to address that time. If you can reduce time, you can reduce risk, you can reduce carrying costs, you can make more housing feasible.

And just a quick, for example, a 300-unit project, infill project near transit, 100 units an acre was delayed by a year because of a mandatory development agreement requirement that the city had in order to address community benefits. And during that year, the market shifted, and the project is now not moving forward. It's fully entitled, but it is not currently moving forward.

Second, on the issue of meeting the market, and we talked about this earlier, too, that new housing is being asked to carry the burden for a broad range of issues. Fees, community benefits, minimum-maximum densities, inclusionary housing, green building. One homebuilder told me that the entitlement and fee component of producing a housing unit is 15-20% of the cost that a home buyer pays. It's a remarkable amount of money that could be reduced and make homes more affordable. The outcome of that for housing is more expensive housing. And again, housing projects not penciling.

A 2020 study in San Jose that the City commissioned studied units from 51 units an acre up to 350 units an acre. That's basically where you start podium construction. And they found that in 2022, not a single product type, whether renter or for sale, at any of those densities penciled in the City of San Jose. And conditions have only gotten worse. Again, just a quick example, 350-unit project infill location near transit, 75 units an acre. By the time they got through the CEQA process, the market had shifted. They withdrew. That project is not going forward. We really have to reduce the burden on housing projects to make housing feasible and find ways to not make new housing bear all of the state responsibility for addressing these really important issues.

And lastly, I'd just like to touch briefly on the Surplus Land Act, and in particular in the context of military bases, because I do a lot of military base reuse projects. There's an incredible potential for housing development in former military bases, tens of thousands of units that are on land that's just waiting to be developed. The infrastructure costs are extraordinarily high. The projects take a long time to build out. And because of the Surplus Land Act, we've injected a whole new layer of risk. Because this federal process requires every single one of those properties to go through a state, a local government agency on its way to the ultimate developer. It lands in that local government agency as a holding place, and then all of a sudden is subject to the Surplus Land Act. And they may have 5, 10 takedowns of land over a 20-30 year period. And every time they're at risk that someone might come and say, well, we're going to give that property to someone else. And that makes it really hard to justify the infrastructure investment. That's an easy, easy fix to exempt military base reuse projects from the Surplus Land Act. A lot of those projects already have high levels of affordability, high levels of labor participation. It's an easy fix.

I have a lot of other ideas, too, but in the interest of time, I'm going to leave you with sort of those challenges. Be happy to talk to you more about some of the ideas I have about trying to solve some of that.

[Chair Buffy Wicks](#)

We would definitely appreciate that. Thank you.

John Kennedy, Rural County Representatives of California

Good afternoon. My name is John Kennedy. I'm with Rural County Representatives of California. We're a 40-county association, represent counties from Alpine County with a population of 1,100 up to Sonoma, about 500,000.

So as local governments, we're often caught in the middle on permitting challenges. As local governments, we have land use authority for most projects, not all projects. There are a lot of utility projects that were preempted on, but most of the projects that we undertake ourselves are subject to numerous state and federal permitting processes. So we're heavily involved and interested in all of the topics that were covered here today.

We need to expand housing significantly in our areas, and I have colleagues who work on housing issues who I'm sure would love to talk about a lot of the concepts that were mentioned today. We need to increase water supply, improve energy infrastructure and storage, and undertake forest health and wildfire risk reduction projects. As an aside, I'd be happy to chat about any ideas with respect to CEQA, ways to improve CEQA while retaining the underlying goals of information disclosure and mitigation. Ironically, one of the key ways to mitigate a project's impacts is to reduce the number of housing units that are proposed. And so it's kind of a cyclical process for us.

So I'll start with maybe not quite a success story yet, but I'm hoping it turns into a success story. Talk about some major challenges we've had with permitting at the state level and then end with a slightly deeper dive, but brief, on wildfire risk reduction. So on energy, we recognize the massive need to significantly increase the pace and scale with which we construct infrastructure, whether it's transmission, distribution, generation, all of these things. We've been in extensive discussions with some of my sister agencies, with CSAC, with the League of California Cities, with developers, with the State Administration, to hold workshops to share best management practices amongst jurisdictions, with developers on how we can permit these projects. Energy storage is kind of the next frontier for some of these things.

So how can we improve our own internal processes to do better to meet these challenges? We're also deeply involved with the PUC, the Public Utilities Commission, because they have a very lengthy process for approving a lot of these things. And Mr. Wood, you carried some important legislation on interconnection timelines. So very deeply involved in all those. Hopefully they will produce some benefits. And then we're also involved with GO-Biz, OPR, and the CEC just submitted a grant application with us, CSAC, some developers, to the feds, trying to develop a framework and toolkit for locals so that we can improve our permitting processes for a lot of these renewable energy projects and energy storage projects.

So now one of the big challenges, flood. We had some major, major, major problems on behalf of a lot of local governments and dealing with Department of Fish and Wildlife. It's very difficult

to get CDFW to issue permits in a timely manner. Horrible consequences. In 2023, when we had massive flooding, we had some local governments that were working on agreements with CDFW for years, were unable to secure those agreements, had sent about a dozen emails, frantic emails, over a four-month period in late, I believe it was 2022, with absolutely zero response from CDFW, no response. The storms hit in January. Massive flooding that destroyed homes, farms, businesses, lots of other things. So we have state agencies and bureaucracies that are good at focusing on their own individual mandates, but they are not so great at looking at other competing objectives and responding in a timely manner so that we can avoid some of these catastrophes.

And then finally, wildfire risk reduction, forest health improvement. We have an added complicating factor in a lot of rural communities, because 50-90% of our counties are sometimes owned by the federal government. That brings a whole lot of other permitting challenges in dealing with those agencies. Thankfully, we've been able to develop some processes here in the state over the last decade that facilitate closer interaction between the state and feds, and locals and the feds. But there's a lot more work that we can do, and a lot of work that we can do here in California on our own things.

So the biggest issue, the pace and scale with which we do these wildfire risk reduction projects. We're in a much better place than we were 10 to 15 years ago. Still a lot of room for improvement. CEQA is still a big impediment because of the cost, complexity and same issues with NEPA. CAL FIRE, you heard mentioned the VTP program EIR, that's been very successful to help some of these projects speed through the process. At the same time, it's very difficult for some others to be able to use that process. It's very complex. It's hard for lay practitioners to understand and go through the procedures, and it doesn't cover all areas of the state. So you have some areas with projects that need to be done and very important projects, but they can't qualify because they're outside of the scope of the Cal VTP program.

So again, that leads to the need for clear exemptions, clear processes, and timeframes. And even then with Cal VTP, I've heard anecdotes of some reactionary state agencies who then tried to increase their permitting requirements, predominantly regional water boards, which would have added additional timeframes and challenges for these projects. We're hearing complaints about the Coastal Commission now requiring coastal development permits. I think it's Mendocino County, and it's delaying some of these treatment projects that we need.

So we appreciate the state's made massive investments over the last several years due to a lot of your hard work. With that money, we were hoping to do a lot of projects. At the same time, we had legislation last year that increased the amount of compensation we have to pay for any workers doing vegetation management on those projects, going to reduce the number of acres that we can treat in a given year. And also we need complementary infrastructure. We saw the closure of a lot of sawmills, biomass facilities. We need something to deal with all of this residual material out there, because the alternative is burning in place, open burning, which has tremendous consequences everywhere else.

And then finally, we have a really, really effective post-disaster emergency process where we can go in and act nimbly and bypass a lot of these other challenges. But we don't have anything on the front end. And oftentimes when we do post-disaster emergency work, we're a little more destructive than we otherwise could have been if we had some type of pre-disaster emergency framework that we could work with so that we could not only avoid the disaster altogether, mitigate the significance and severity of the disaster, but, you know, take a lighter touch with the work we do.

So really look forward to continuing working with you on all of these topics. We'd be happy to help and inform the discussions. Thank you for the invitation.

Chair Buffy Wicks

Thank you.

Robin Baral, Hanson Bridgett LLP

Good afternoon, and thank you to the committee for having me. My name is Robin Baral. I'm a land use attorney with Hanson Bridgett. Briefly background, I've worn a number of hats in my career. I was involved in planning for a large institutions like the UC Regents, and earlier in my career, for a better part of a decade, I was on the city government side, sitting on the dais dealing with land use issues from the perspective of local government.

The past five years or so, I've transitioned to the private development world. So I really look at—and I also sat on the board of conservation agencies. And so I've had this very broad perspective from which I look at housing. And right now, I think—I'll keep my comments short. I want to piggyback on what others have been mentioning going back to the housing space. For developers there's... really, it's the certainty that they're looking for as far as what are the substantive requirements for a particular entitlement and how long is it going to take. And I want to echo some of those sentiments that a lot of progress has been made over the past decade, half decade, and really honing in on ways to achieve that certainty and to really cut down on the entitlement delay.

I think that there's still some important—what I've noticed is that as the process becomes more confined on local agencies, there are still soft points where now there's even more pressure put on those soft points, right. So you look at SB-330, there's a lot of improvements in the application completeness review, right? There's a lot of guardrails now on how an application is deemed complete. But once you get into the CEQA world, there still is a lot of gray area between application completeness and getting to a hearing. And I can name, unfortunately, seven or eight projects where they're just in limbo right now. And there are remedies, there are statutes, which say you have to certify an EIR within a year, but they're toothless right now, right? The remedies, you go to court, you get the court to order the city to process the EIR, and after a year of litigation, you're back where you started, right? So I like the trends where I've seen CEQA issues are being tied to the Housing Accountability Act. And I think that bridge

needs to be made stronger because there really are some soft points in the entitlement process that are still dragging down projects and creating delay.

And so there's two ways we can approach the problem, right? We can list out all the areas where there's issues, or we can also look at what has worked and how do we amplify what is working, and how do we accelerate that or supercharge the issues that are working. The biggest, most important change in state housing policy has been the shift to objective development standards, right? It goes back to this issue of clarity, right? You see it in a variety of the frameworks that have evolved through the legislature over the past decade. But the focus has really been on local agency entitlement processing, right? And to echo some of the sentiments of others, very few projects only involve the local agency. They involve state agencies, special districts, a long bevy of what should be interagency collaboration. But very often times it's not a collaborative approach, it's a combative approach. And I think where progress can be made is taking this—a lot of the progress that has been made in the state housing law context and really applying it to state agencies, to all the various stakeholders that are involved in the entitlement and permitting process, whether it's processes that have to run through regional boards or State Water Boards or CDFW to get permits for particular projects, you know, kind of amplifying the role of objective standards and how not only local agencies, but state agencies review and coordinate projects, I think would have an enormous effect.

And then on top of that, really getting to, you know, the term that's been brought up, like, this rationalization approach. I think I can echo some of the horror stories about how you have an agency comes into an area that is slated for growth, right? And I think that the takeaway here is with all this development of objective standards, has really propped up general plans and zoning as important documents, right? So local agencies, the cities, the counties have all acknowledged and accepted that the general plan now is not just a piece of paper, is it a very important document that they have to follow. Otherwise, there's all these dilatory effects that happen if they're not following their own policies. State agencies haven't really caught up to that, right? If you have a project that's in an area that is in the PDA or the area, the TPA or the area that's really primed for growth, then you have an agency that comes in and says, well, that looks like a state wetland, right, and we're going to make you mitigate that on-site.

And on top of that, we think that you might have done some illegal filling here, so now you have to mitigate eight-to-one. And so the issue of wetlands preservation is important, for example, but looking at it holistically, right? If an area that could be construed as a state wetland is in the middle of a high-traffic corridor or a business park or an area where the city and a huge multi-party stakeholders have said, this is where we want the growth to happen, happen, there has to be a rational conversation about, is this really the best place to preserve an on-site wetland? Or, you know, should the developer or the landowner be paying into a bank and paying into Eden Landing or the areas, the numerous areas around the Bay, where areas are really being redeveloped to foster wetland habitat, right?

And so I think that the agencies get caught up in the role and responsibility, which is not only permitting, but regulatory enforcement, but there isn't a coordinated effort to kind of take the bigger view here. Okay, this is, yeah, there may be a wetland here, but this is an area that's in the general plan that's slated for growth. And what happens when you have onsite mitigation on a 20-acre parcel or a 10-acre parcel? There's ripple effects, right? Now you have a big hole in the business park or something where that development can't happen, or it has to be scaled down in a way that really is not going to be feasible for a while. And so it's one property that can have a huge ripple effect in the entire region, and that's where—

[Chair Buffy Wicks](#)

If you could wrap up, too.

[Robin Baral, Hanson Bridgett LLP](#)

Yeah, so I think a lot of progress can be made to tie in objective standards into a more collaborative approach with state agencies.

[Chair Buffy Wicks](#)

Thank you. And we'd love to definitely incorporate those into the white paper that we're working on. Thank you.

[Marisa Mitchell, Intersect Power](#)

Hi, Marissa Mitchell, Head of Environmental Permitting for Intersect Power. Thanks so much to the Chair for organizing this today and for the committee for allowing me to speak. And I'll try to keep this really brief.

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. To ensure social acceptance and minimize the conflicts of the clean energy transition, we've got to also site these projects on least conflict areas, and it's going to take at least a half a million acres of land to get there.

Farmers are predicting at least a million acres of currently irrigated agricultural land will come out of production in the San Joaquin Valley south of the delta because of continued surface water curtailments combined with pumping restrictions under SGMA. And this represents a huge opportunity to cite new solar resources on flat, sunny land that doesn't compete with other beneficial uses, like conservation, community greenbelts, and productive agriculture. State agencies agree. The Energy Commission and the CPUC have identified that water-constrained agricultural lands in the San Joaquin Valley are the majority of the least conflict solar potential lands in the State of California. In their modeling the agencies have rightly thrown out the analytical barriers that would result in constrained build-out of these lands in the San Joaquin Valley. But of course they haven't actually thrown out the land use and permitting

policy barriers that continue to exist. Those are still there, and that's the tough job that the legislature has in front of it

Now, 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.

But these are also the least conflict lands identified by the state agencies. They've already identified that if the state's losing irrigated agriculture, it's not because of solar. Solar can actually help make the most of a challenging situation. So it's high time for CEQA's analytical methods and thresholds of significance to be updated to meet the other policy mandates in the state. The fact is that large-scale solar has actually very environmentally beneficial impacts when sited on water-constrained agricultural land and can help farmers weather the storm or actually weather the drought. Solar projects can be reconverted back to agriculture. They're under useful life, they have very strong soil preservation qualities, and they are also an opportunity that can protect local species, and protect and preserve and actually restore habitat that has been lost in the past due to agriculture.

At-risk species are being listed all the time, not because of new land use decisions, but because of climate change. And the California Endangered Species Act works very well to discourage people from doing specifically bad things in specific places. But it doesn't do a great job of encouraging people to do good things like restore and create habitat. It actually penalizes this. So when solar takes the place of formerly irrigated agricultural lands, there's a huge opportunity to create habitat for these threatened, endangered, and candidate species. We need to do this, but right now we're penalizing this behavior.

We need to create a solar safe harbor agreement to encourage 500,000 acres of land in the San Joaquin Valley to be converted back to habitat.

[Chair Buffy Wicks](#)

And if you could wrap up. Thank you.

[Marisa Mitchell, Intersect Power](#)

Yep. I just wanted to say really quickly that it's getting riskier and riskier, especially over the last 12 months to site large-scale solar projects. We're needing to tie up our supply chains earlier and earlier. The CAISO is asking us to tie up 90% of our site control even to go into the study process now. So we need to minimize the investment risk so solar developers don't flee to

other states. And there's a lot of work to do here. But I'm looking forward to working with you all on solutions. Thanks very much.

Chair Buffy Wicks

Very much appreciate your testimony. Thank you.

Rick Umoff, Vineyard Offshore

Hi, Madam Chair, committee members, thank you for having me and for holding this hearing. My name is Rick Umoff. I am Director of Government and Regulatory Affairs for Vineyard Offshore. We're a leading offshore wind developer, and we hold a lease area off the coast of Humboldt that has a capacity of roughly two gigawatts to provide clean, reliable power to California as we try to meet our SB-100 targets. We are also constructing and operating the first utility-scale offshore wind farm in the United States, Vineyard Wind 1, which is 800 megawatts and serves 400,000 homes and has created over 1,000 jobs.

I have a few suggestions here or items for consideration for the committee, and also look forward to further digging into these issues going forward. First, AB-525 recommends the creation of or implementation of a renewable energy action team or renewable energy policy group to facilitate streamlining and permitting offshore wind. We would recommend that any advancements of these groups incorporate timelines to allow offshore wind projects to align with a long lead time of supply chain-related investments and project deliveries so that we can rely on real schedules to ensure these projects are moving forward and being permitted in a realistic manner. And to the extent that roadmaps and clear milestones can be provided, that would be helpful.

Additionally, we fully support funding state permitting agencies at a level that's necessary to allow the staffing and expertise to smoothly move projects through the permitting process and clearly scoping out the agency's jurisdictions as they work together on permitting offshore wind projects.

We would encourage the state to ensure that the timing of state and federal processes are aligned such that one process doesn't hold up the other process. Federal processes have very clear timelines and I encourage attention to that matter. Additionally, a key lesson from the East Coast has been that while coordination is important, it's also important to have some flexibility so that state and federal processes aren't aligned in an overly rigid way.

And then finally, there is an opportunity for continued science and evaluation of scientific investigation and questions in the lease areas, in and around the lease areas. And we would encourage taking advantage of the opportunity as the projects are developed to do additional scientific research in these areas. And then lastly, I want to flag there is very key enabling infrastructure for these projects like ports and transmission, and we should not lose sight of those for the siting and permitting as well. Thanks for your time. I really appreciate it.

Chair Buffy Wicks

Thank you very much. And our last rapid-fire speaker.

John Bourgeois, Valley Water

Thank you. Madam Chair and committee members. John Bourgeois. I'm a deputy officer at Valley Water, and I really appreciate everything I've been hearing today. And I appreciate you sticking around to hear me at the end here.

Before I joined Santa Clara Valley Water District, I was actually the Executive Project Manager on the South Bay Salt Pond Restoration Project. So for a decade, I ran the largest wetland restoration project on the West Coast, and I'm happy to continue that work at Valley Water. We have a unique mission at Valley Water. We not only do flood risk management and water supply, we also do environmental stewardship. And so climate actually affects all three of our missions. So we are trying to act with a sense of urgency, and the regulatory restraints are sometimes an impediment to moving quickly.

I'll give you two quick examples. I have a laundry list of concrete recommendations from boots on the ground that we're happy to share with you separately. First project, the San Francisco Shoreline Project. It is a three-mile levee of coastal flood protection for the northern end of San Jose and the disadvantaged community of Alviso. Also protects the wastewater treatment plant that serves Silicon Valley. In addition, it has almost 3,000 acres of restoration. You would think a project like this would breeze through, right? Well, our policies have been developed in San Francisco Bay to prevent us from filling the bay. And that happened at a time when that's what needed to happen. People were filling the bay, putting garbage in the bay, expanding communities. But now we need to fill the bay to save the bay. We need to build levees so that we can actually do coastal restoration. And we want restoration of the wetlands done in a way that is sustainable in the long run, which means not having an abrupt transition from a flood wall to a marsh. We need gradual transition zones so that they can attenuate waves, but also so they can migrate upslope with sea level rise. We need to think to the future about sea level rise and make these wetlands in a way that is accommodating of that. And so—but that's fill, right? That is fill in the bay. And there are policies against that. And so you would think with 3,000 acres of restoration should be a self-mitigating project. Not so, because we're restoring former salt evaporation ponds, which are already waters of the state and waters of the US. We're just converting the type. So we have a no net loss issue with projects such as this. We are in a renaissance of restoration happening all around California and our policies have not kept pace. We need to look at that.

Further up in the watershed. We have our Anderson Dam Project. It is our largest surface water storage facility. We have to do an emergency seismic retrofit. This dam is going to be down. Every year that it's down, we are more reliant on imported water from the delta. We have been working tirelessly with the agencies for six years now, pre-application, six years to get to a point where we can feel confident that they can issue the permits in a year. Permits are going in this month and every year that's delayed, if we miss those permit deadlines, it costs the

taxpayers—our water rate payers—\$100 million a year. So we have a lot at risk. It is our key water supply infrastructure. It also provides incidental flood benefit to downtown San Jose. And we have endangered fish species in that creek. So we've got all three of our missions right in that one project. Very critical project, very important for us to get permits in a timely manner.

We have—I'm wrapping up, I know you're—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. We would like them to only have so many bites at the apple before—they clearly, if they're getting incomplete applications from people, they clearly need to request more information. But for agencies, public agencies, with projects of this level of importance, we'd like to see only so many bites at the apple. Also someone addressed staffing. Our agency pays for staff members at CDFW, the regional water board, and national marine fisheries just to handle our workload alone. So we really do need to think about addressing the staffing at these agencies. And the turnover is great.

So we have a whole laundry list of other recommendations and happy to provide those later. Thank you.

Chair Buffy Wicks

Very much appreciate it. Thank you. We'll move quickly. Just the last thing is public comment. If you want to weigh in on anything, please just name, organization, and one sentence on top lines. And again, we'll have ample opportunity for folks to weigh in throughout the process of the year.

Catherine Freeman with the California State Association of Counties

Thanks. Catherine Freeman with the California State Association of Counties echoing what RCRC said. But I want to leave you with two things. One is we are working on cutting the green tape with our land stewardship networks, and also we're working on sea level rise with a local government working group, and I'd be happy to provide some information about how those are working.

Chair Buffy Wicks

Thank you very much.

Lillian Mirviss, Large-scale Solar Association

Good afternoon. Lillian Mirviss with the Large-scale Solar Association, or LSA. We support the comments of Marisa Mitchell of Intersect Power, and we also have specific recommendations about streamlined permitted on ag lands that are losing water and broader recommendations on the permitting process. We look forward to talking about this further with you. Thank you.

[Chair Buffy Wicks](#)

Thank you, I appreciate that.

[Sosan Madanat, California YIMBY](#)

Good afternoon, Chair and members of the committee. Sosan Madanat here on behalf of California YIMBY. We just wanted to thank you for putting together this select committee. We really appreciate the discussion today. Permitting delays are obviously a major hurdle to building housing, but also key infrastructure that's necessary to ensure that housing gets built and serves the community. So we appreciate the discussion and look forward to diving deeper as the committee hearings move forward. Thank you.

[Chair Buffy Wicks](#)

Thank you.

[Louis Morante, Barrie Counsel](#)

Good afternoon, Madam Chair, members. Louis Morante with Barrie Counsel here just to thank you for doing this important work. Californians really depend on your success here, and we're committed to helping you succeed. So we're honored to be facilitating some of the work here.

I also have a comment on behalf of the Casita Coalition, who hope to remind you that the important work the legislature has done on ADUs, in particular, exempting them from fees, making the zoning really clear, and streamlining the decision process, are the recipe for success for other small buildings that the state also depends on for meeting its housing goals. Thanks again for doing this work, and we're here to help.

[Chair Buffy Wicks](#)

Thank you.

[Corey Smith, Housing Action Coalition](#)

Good afternoon. Corey Smith, on behalf of the Housing Action Coalition, also extend our appreciation for making this happen. The legislature has taken steps on this as well. There's been a number of bills, AB-2234 by Assemblymember at the time, now Speaker Rob Rivas, AB-1114 and AB-281 that set some of these guidelines in place, which are fantastic. The coordination between the different jurisdictions is really key. That's something that's going to have to get figured out. We do need a state backdrop, and to put a pin on it the IOUs are the biggest problem. And all of this as an individual agency and PG&E specifically pushes back on any sort of permitting reform. So we got to get the IOUs to the table if we want this to work well. Thank you.

[Chair Buffy Wicks](#)

Thank you.

Tyler Earl, Communities for a Better Environment

Hello. Tyler Earl on behalf of Communities for a Better Environment, part of the California Environmental Justice Alliance. Jerry Brown once described CEQA reform as doing God's work. And so I imagine that you view environmental justice advocates like us as the devil for merely wanting to protect these types of environmental protections that are meant to—are our main and primary tool for low-income communities of color to actually have a say on so many projects, because it is the only process that is there. Otherwise, it is agencies and private developers just running wild as they wish without any input from the public. And so I hope that that is considered, as streamlining seems to be the word of the day, and it's the reason why we're in Sacramento. We just happened to find out about this select committee because we're here to protect the setbacks from streamlining that we had negotiated for in AB-2011 that have now been pulled later today. So thank you. Appreciate it.

Chair Buffy Wicks

Definitely don't view you all as the devil, and I appreciate that you're here and appreciate your input. So thank you for coming.

Mark Vukceвич, Streets for All

Good afternoon, Mark from Streets for All. I wanted to express a sincere gratitude for having this committee and having this discussion, not just personally. While I care about the infill housing issue and housing issues professionally, Streets for All takes many positions on infill housing.

I do just want to note what I feel is lacking in this conversation, but also in what I understand is the scope of the committee, is a focus on any sort of transportation permitting reform. There's a serious dearth in the conversation in the legislature as a whole about that issue.

Chair Buffy Wicks

We will be discussing. We hear you loud and clear. And we will be discussing transportation. So, yes, we'd love to have you as part of that.

Mark Vukceвич, Streets for All

Thank you, Chair Wicks. Appreciate it.

Warren Gonzales, Communities for a Better Environment

Hi. Sorry to, you know, proceed, but I just want to bring to the attention the Carson Carousel. My name is Warren Gonzalez. I'm with Communities for a Better Environment and CEJA as well.

It was an instance where there wasn't an environmental report, there wasn't really community oversight at all, and there were severe health impacts and continued remediation to this day. Just keeping in mind that, of course, the housing issue is incredibly important and buildings do have to go up, but that there are health impacts to the people that do end up moving into

these lands. And, you know, if we prioritize business over and, you know, ease of use over community health, then ultimately there's sick kids, there's community, there's people that have to bear the health impacts of these realities. And you know, me personally, having grown up with severe childhood asthma, a lot of people in my community, Wilmington in CD-15, you hate to just see houses building up, families moving in, not understanding or not even knowing what was on the land prior to their inhabitation. So thank you.

Chair Buffy Wicks

Thank you very much for those comments. With that, if there's no more public comment, Mr. Carrillo, you get the golden star of the day for staying here. And I just deeply appreciate everyone's public comment as well, we'll have more hearings in the fall. And with that, this first select committee hearing on permitting reform is adjourned.

Appendix D2

Transcript
Informational Hearing of the Assembly Select Committee on Permitting Reform
"Permitting Reform to Facilitate Climate Resiliency"
Milton Marks Auditorium
455 Golden Gate Ave, San Francisco, CA 94102
Wednesday, October 16, 2024

Asm Wicks

Hello, hello, everyone, can you guys hear me? Is this working? No. Hold on. Maybe our support, tech support to the rescue.

The gavel works. We know that.

Asm Wicks

Okay, hi, oh yes, hi, everyone. How's everyone doing? Now you all can hear me, right? Great. Okay, perfect. Good afternoon. Thank you all so much for coming in the hearing today. And for those of you that are watching online, as well as my colleagues, many of whom Scott Wiener, Senator we know to travel from, from upstairs to come all the way down here, folks from San Diego, East Bay, other parts of the district, Orange County. Thank you so much for being here today on this and I should also say we had a tour this morning with a ferry that took us around the bay and looking at how the challenges around permitting, as it pertains to ensuring we can have climate resiliency, that we're thoughtfully developing our shoreline in a way that is sticks to our environmental goals, while still allowing for us to create an environment that can adjust to the potential sea level rise that we believe will be coming, while still allowing for housing and all the other infrastructure that we need to accommodate our working class families here in California. So the tour was very eye opening for many of us. I know we're going to be joined by other colleagues as well, and I know some folks have to leave early. Everyone's got a lot on their plates today, so we're just going to get started. This is the second hearing of the Assembly Select Committee on Permitting Reform. I'm the chair of the committee. My name is Buffy Wicks. I represent the East Bay, Oakland, Berkeley, Richmond area, and this, this hearing is focused on permitting reform to facilitate climate resiliency. As I mentioned, we'll be having other hearings as well focused on other areas as it pertains to permitting reform. We're going to do a transportation and housing hearing in Los Angeles, and then one focused on renewable energy projects in Southern California as well, location TBD. But we would welcome attendance at those as well, if not in person, remotely. This one is focused on climate resiliency. We all know climate change is happening quickly. I'm not going to share all the terrifying facts, but just a few to get a set set the stage for today, the temperature in much of the state has already gone up by two degrees and is expected to go up by five degrees the midcentury, and up nine degrees at the end of the century. Sea level rise is expected to be three to 10 feet and cause up to \$230 billion damage in just the Bay Area. The Sierra snowpack

is expected to go down by 1/3 in 20 by 2050. The number of acres burned annually due to wildfire is up 250% from just 30 years ago. And to avoid the worst aspects of climate change, we need to remove up to 9 billion tons of carbon dioxide from the atmosphere every single year. Carbon sequestration companies are developing technology here, right here in San Francisco, and then deploying them elsewhere because of the permitting challenges that we are faced with here in California. It took 10 years permit the site's reservoir, even after it was funded, and you hear that story a lot, that permitting can take decades to be able to address some of these challenges. The expansion of the Los Vaqueros reservoir in Contra Costa County was recently scrapped as rising costs made the project economically unattainable. Project cost had grown from ~~900 million~~—\$980 million in 2017 to nearly 1.6 billion due to inflation, inflation and scheduling delays. Often the scheduling delays come down to the issues around permitting. As the parent of a four year old and a seven year old, this is the stuff that keeps me up at night. Is our government serving the needs of our people? When you look at the what our needs are in terms of being able to adjust to the new Climate Reality, I don't think we're doing it as good as we can. To survive and thrive in a challenging climate, California is going to need to build a lot of infrastructure in the coming years. Walls and pipes and catch basin areas to address sea level rise and flooding, dams and reservoirs and recharge basins, to address drought conditions, new ways of managing our forests and environment to deal with both of these conditions, and embracing and deploying new technologies to reduce and proactively remove carbon from the atmosphere. To build the infrastructure we need, we're going to need to get better at building infrastructure right now, we are not so good. When it comes to permitting infrastructure, most of our governance structures are designed to be extremely cumbersome, opaque, and, frankly, sort of set up to get to no. That is, the status quo is what rules the day, often, when it comes to building new infrastructure. It's understandable. A lot of that regulatory environment was designed in a different era when there was widespread support for slowing down the state's rapid growth and the outside conditions weren't changing as rapidly as they are now. But these permitting regimes were not set up to address existing crisis we now face, including rapid climate change. To address the problem we have now, our permitting system must become easy, transparent and designed to get to yes. The cost of inaction is just too high. The cost of inaction includes trillions of dollars in damages from sea level rise and flooding, wildfire and extreme heat. And who bears the brunt of these costs? The millions of low-income households that cannot afford to crank the AC higher or pay higher water bills or just ~~move to get move~~ altogether move. Also bearing the brunt are all the animal and plant species that are already struggling because of manmade changes to their habitat. That's why I think the work of permitting reform to facilitate climate resiliency is inherently equitable and pro-environment. Today, we'll be hearing from an array of experts and practitioners who will speak to permitting reform needs to address the sea level rise and flooding—and Mr. King is joining us as well, thank you—prepare for drought conditions and facilitate the reduction and removal of atmospheric carbon. While these folks will cover a wide range of topics, we recognize that they will not cover every issue that is important to people. And while we might hear ~~some here, hear~~ of some useful changes, this select committee is not purporting to come up with all the answers, hopefully some of them, though, but maybe not all of them. The range of issues and answers is much broader than anything we could have taken

on with just this one committee. But what I'm hoping we accomplish today and throughout this process is to highlight the fundamental need to change how we go about doing business, from one that's designed to get to no to one that is designed to get to yes, more of a way of thinking than anything else. We've heard that this is already happening in a lot of places. The Natural Resources Agency cutting green tape initiative that we heard about in our first hearing in June. But there's more work to be done. There's lots more work to be done. This is hard work. Structural change always is. By shining a light on the issue of committing reform, my hope is that we can speed up that process, encouraging those already making change and motivating those that have not started yet. We have to get this done. We have to get it done right, and we have to get it done soon, because we know climate change is coming. Want to first offer remarks by my colleagues, again, some of whom may have to leave early so to make sure we get them on the record. And again, I think others might be joining. So I'm happy to take introductory comments from any of my colleagues who are interested. We have Mr. Ward, why don't you go first?

Asm Ward

Thank you, Ms Wicks, Madam Chair. Really appreciate the invitation to be here in San Francisco, coming from San Diego. It's been nice to be able to come up here and be able to see some of the projects, some of the vision we have for the Bay. Some of the important work that needs to get done. And as the Assembly's Housing care. I know that working on, you know, a lot of different areas of solutions that we need on permitting reform is one that is going to be able to help us sort of answer some key questions really going back to the drawing board to understand what is necessary without, you know, interrupting or without disrupting, you know, key kind of environmental or other other other areas of review that we need to be able to make sure for the health and safety of our surrounding area that we're we're being, you know, thoughtful about development, but we know we need to do a lot more. And the issue of permitting reform certainly is not limited to the subject theory of housing, working on infrastructure, working on climate related solutions, as you've you know, outlined as well, is something that is a key priority of mine, and important to the San Diego region as well. So I'm looking forward to all the presenters here today to be able to hear about what's coming down the pipeline, what the experiences have really been trying to get through the regulatory process, so that we can have a critical review of, as we head back to the next session, what we need to do to be able to more efficiently, be able to get from A to Z while not compromising some of our other shared values. Thank you,

Asm Wicks

Mr. Grayson.

Asm Grayson

Thank you. Chair Wicks, delighted to be here and quickly, because I do want to get into the meeting as well, and hopefully it's not too far off topic. However, permitting reform is desperately, desperately needed, especially when green and clean energy and manufacturing rise up within jurisdictions, and then they actually with CEQA approval, and then local

jurisdiction, or someone like that, would take that project and use it to benefit themselves, in the sense of add on, what we call add ons, to the permit. And that was very costly in the sense that property would rise up in, actually, clean energy sectors, and then get caught up with a project that doesn't pencil out because of community benefits that are being demanded of in order to give a permit. So again, not trying to be off topic, maybe ranting just a little bit, but I've had multiple meetings in the past few months and weeks that involve projects that would have clearly penciled, that would have clearly helped us reach our climate goals here in California, but can't get through the permitting process because of local obstacles, and So looking for a way to create pathways through those obstacles so they don't get caught up in the permitting.

Asm Wicks

Thank you. Mr. Carrillo.

Asm Carrillo

Thank you, Madam Chair. I do represent the Five Deserts in Southern California. I'm here to learn more about the challenges that you have here in the Bay Area and along the coastlines in this broader state. For us, we have different challenges, services, being the desert. Nevertheless, I'm here to learn more about the challenges that you are facing here in the Bay Area. I'm looking forward to working with everyone here to find the solutions, to get the resources that you need.

Asm Wicks

And it should also be noted—Mr. Carrillo is chair of our Local Gov Committee, which is going to serve as an important role in this work that we do. So thank you for being here. Quirk-Silva.

Asm Quirk-Silva

Thank you, Madam Chair. I'm pleased to be up here. This is a beautiful area, and finally, have a little fall weather. But as we have noted, the temperatures have been extremely hot. We don't have to be waiting for climate change to happen. We are already experience it—not only here in California, but across, really the world. I think one of the things that I've heard from my local government days, now 10 years into the assembly, is simply, how do we cut through the red tape? And we can call it green tape or red tape, but we know that projects infrastructure are taking too damn long. And the longer we wait for these major investments and infrastructure, the longer we're kicking the ball down, not only for housing, but of course, what we saw this morning with—right there in the bay—with erosion and so forth. So I think it's exciting to be here and actually be out on the bay and see examples of how we can do this with environmental friends. But it must be done, and we needed to be doing this 20 years ago. So I'm excited for today. Thank you so much.

Asm Wicks

Thank you, Senator Wiener.

Sen Wiener

Thank you, Madam Chair, and thank you for including me, even though I'm in the, I guess, the wrong house, but I appreciate you including me.

Asm Wicks

We still like you.

Sen Wiener

Thank you, thank you. And thank you for your work. Just bottom line, permitting is horribly broken in California. And when it comes to climate action, our permitting laws, including laws that are supposedly environmental laws are actually undermining and preventing effective climate action, and we have to be very, very hard-nosed about that. And these are local permitting requirements. They are mandates that are placed on local governments by the state, and they are also situations where far too many agencies have to sign off on a permit. A few years back, I did some work around mariculture and trying to promote mariculture, which is a climate solution in addition to other benefits. And to get a kelp farming permit, I think you had to go through like 10 or 12 or more different agencies. And that is so emblematic of what we have allowed to happen in California. Layer upon layer of process, and often process for the sake of process, and process being valued over results. And we have to always remember that it's the results that matter, not the process, and we have to stop with the valuing of process over everything else, which is what California has effectively done, and it's frankly strangling the state. We also need to acknowledge that there are various aspects of our permitting problems in California, I mentioned local governments and sometimes too many agencies having to sign off, but we have to also just acknowledge that the California Environmental Quality Act, CEQA, is a big part of the problem. And that is a state law that is imposed on everyone, on state agencies, on local governments, on regional agencies, and everyone's required to comply with it. And we have CEQA, whatever its intent when it was passed, it has now become sort of a Frankenstein monster. It's the law that swallowed California. It is used overwhelmingly for purposes that have absolutely nothing to do with the environment. It is used—you don't even have to—you can file an anonymous CEQA appeal. ~~Yøø~~ It can be used to slow down—anyone who has the money to hire a lawyer can use CEQA to slow down, screw up or kill a project. And we have to start refocusing CEQA as a climate action law and move away from allowing it to be used for completely non-environmental purposes, simply because someone has the money to hire a lawyer. So I look forward to conversation today, and again thank you for your work, Madam Chair.

Asm Wicks

Thank you, Senator, Mr. Ting, would you like to opening remarks?

Asm Ting

Sure. Thank you, Madam Chair, thanks for having me as well, and very much appreciate you focusing on this issue. Obviously, you and a number of other members have focused on permitting as it relates to housing. But really talking about climate change, and in particular,

sea level rise and South conditions—we just need to look at what's happening in Florida. I know that we are one natural disaster away from potentially some catastrophic issues. You often see, sometimes, many years we don't have enough water from the Central Valley, and then suddenly we have too much water. We see flooding. And so being ready and prepared for a number of those issues there is—and there needs to be—a sense of urgency. These projects need to happen now, and, as everyone has mentioned, it often takes way too long than once we decide what they are to get it going. So really appreciate you for highlighting this issue and bringing us together and also bringing many of these thought leaders. Very much look forward to the discussion.

Asm Wicks

Thank you. And I see Papan has joined us. She chairs the Water Parks and Wildlife Committee in the Assembly. Did you want to make any opening remarks?

Asm Wicks

You don't have to. If you don't want to.

Asm Papan

I gotta keep up with Weiner. No, I'm just delighted to be here. There's a lot of folks I found in the legislature that are very involved with the reduction of carbon emissions, and they're doing a fine job, but I have long sought to focus my energies on climate adaptation, because even if we stop polluting in the morning, there is still a tremendous need to adapt. climate changes here and we come from being involved in a lot of infrastructure projects. And so thank you, Madam Chair, for convening us so that we can focus on some of the infrastructure that's needed. I know it touches on housing, but we need to have done this work yesterday, so I'm excited to get forward, to get involved. Thank you.

Asm Wicks

Thank you. Coffee has arrived. Ms. Papan, if you would like any. Let me know. You weren't here when we ordered. But great. Thank you so much for the welcoming remarks. Very much appreciated. We're going to have three panels today. The first one is going to be to address sea level rise and flooding. The second one's going to be on preparing for drought conditions, and the third one's going to be on the need to facilitate the reduction and removal of atmospheric carbon. So with that, would the panel one please come up? I think you know who you are. So this is, as I said, Panel One: Permitting Reform Needed to Address Sea Level Rise and Flooding. We'll allow each panelist to self-introduce. Each of you have a couple minutes to share your thoughts, and then we'll do Q & A from committee members. We'll start here.

Liz Whiteman

Thank you, Chair, committee members for the invitation to be here today. I'm pleased to provide the remarks this afternoon that will provide the context and a science foundation for your discussion on sea level rise and coastal flooding. My name is Liz Whiteman. I am privileged to serve as the executive director of the California Ocean Science Trust, a

independent science nonprofit organization actually created by the California Legislature to bring science to this decision shaping the future of our coastal ocean here in the state. I'll share a little bit about what's causing sea level rise and coastal flooding, what we're experiencing today, what to expect for the future in terms of impacts to people, infrastructure and natural habitats. This is a summary of research from so many different scientists across the state, including members of a science task force convened by the Ocean Science Trust and the Ocean Protection Council over the past couple of years to provide a science foundation for the state's policy that was adopted earlier this year by the Ocean Protection Council. It's easy to think of sea level rise as something for the future. However, California has actually experienced eight inches of sea level rise over the last century, and that rate is increasing. The current rate is already triple that of the broader 20th century rate. And put another way, what we've experienced in the last 100 years, we're anticipated to experience in the next 30 alone. Sea level rise occurs primarily as ocean warming causes thermal expansion of the oceans and additional input of fresh water as the polar glaciers melt and provide additional water. Both of these processes result from the ongoing warming of the planet due to greenhouse gas emissions. So there's an interesting trade off that becomes part of this conversation. Now that science foundation for the state's policy that I mentioned lays out a set of scenarios for the future, a set of possible futures that we may experience that really depend on where we are as a society, in terms of greenhouse gas emissions, trajectories of global development, and incorporate the fact that we don't completely understand how much the polarized sheets will melt and how much that will then contribute to rising sea levels. So we're going to be confronted with continuing uncertainty, but need to be able to take action despite that. So using observations, this is not just modeling. We can see how we're currently tracking along the California coast and project that forward. This reveals that by 2050, sea levels are most likely to rise by 0.8 feet on average across the California coast—you might often hear that rounded to a foot by midcentury. We can use these scenarios to plan out further into the future, taking into account a project lifespan and the degree of risk that we're willing to assume for it. By 2100, average statewide sea levels are expected to rise between 1.6 and 3.1 feet. That's the most likely, although higher amounts are certainly possible. So what? So what do these numbers mean, and should we be concerned about that foot by midcentury. Sea level rise will increase the severity and frequency of coastal flooding events, with a particularly rapid rise in the 2030s. So we get a glimpse into that future during king tides. I am sure you've either seen or have seen the images of the waves overtopping the Embarcadero. So what we experience today as a once-in-a-lifetime coastal flood is projected to occur annually by 2050 and daily by 2100. So that just sets the magnitude of the issue here. One of the things that we don't often think about is what's happening underground. Groundwater rise poses a threat to below ground infrastructure and freshwater aquifers. As sea level rises, in some places, the groundwater will rise with it, mobilizing contaminants, exposing our subsurface infrastructure to corrosive salt water and foundations to salt water, and threatening our fresh water aquifers with salinity increases. And the societal impacts of that shallow and emerging groundwater are projected to be about as much as the impacts of what you see visibly overground, even as we're still trying to understand the specific details of where and how much we'll see those impacts. And finally, the impacts of episodic coastal storms are already worse than they would

have been 50 years ago without sea level rise. Think back to January of 2023 and the 11 or so atmospheric rivers that we experienced, and on January 5th, wave heights reached 28 feet offshore from Monterey Bay, made even higher by simultaneously happening with spring tides and with onshore winds that pushed the waves even higher. This was the event that caused West Cliff Drive in Santa Cruz to fall into the ocean and damaged an awful lot of public and private infrastructure. Those kinds of events are expected to both get worse as a result of climate change and be made even more worse by sea level rise, because they're occurring on top of a higher level of water. So I can understand how these sobering, frightening statistics, as the Chair already mentioned, can feel paralyzing and so would underscore that it has also been shown that there is a more significant economic cost to inaction, just in terms of the harm and losses that will be experienced through these kinds of events and sea levels rising. But planning for an uncertain future is undoubtedly hard, and we need new frameworks and workflows to be able to act and make decisions. One possibility that may help is an adaptation pathways approach. This is an academically developed approach that may offer some avenues for exploration in your context. It's a pathways—I heard the member mentioned pathways. It may not always be possible for critical infrastructure to bear the cost of adapting to all the way to the possibility of sea level rise at 2100 in one fell swoop. So adaptation, planning pathways sequence actions through the lifespan of a project so that you can take action now with full transparency of what options will remain on the table for you and predetermined thresholds that you will start to take those actions and move along your pathway into the future. Two final points, I was in Sausalito with colleagues yesterday as we brought together researchers with finance and insurance sectors, state and federal folk to explore opportunities for creative financing and insurance to be able to unlock capital, reduce and transfer risk, and enable adaptation projects to accelerate. The conversation, for me, really underscored the need for a new systems approach to how we are making these decisions in the broad context of the broad suite of community needs. We're still digesting the outcomes of that really rich conversation yesterday, but I would be more than happy to follow up and share a summary and discuss the outcomes of that work. And I'll just conclude with appreciation for the many scientists I work with who are helping us understand these complex processes and offer that the Ocean Science Trust as an entity created by the legislature is here to serve and support and we would be happy to engage with you further as this dialog continues. Thank you.

Asm Wicks

Thank you very much. Whoever would like to go next.

Sahrye Cohen

Madam Chair, would you like us to proceed according to the agenda?

Asm Wicks

Sure.

Sahrye Cohen

All right, I'll go next then. Thank you. Good afternoon, Senators and Assembly Members. Thank you for having me here to talk. My name is Sahrye Cohen. I work for the US Environmental Protection Agency, and I'm here today representing the Bay Restoration Regulatory Integration Team. There was a time, not too long ago, when our coasts and waters were virtually unprotected. People looked at the water and decided not to swim. Their bays did not support fishing or crabbing. Rivers caught on fire. It looked like public access to our incredible coastline and beaches would soon be impossible because of development. That was before coalitions of citizens called on their representatives like those here today to pass legislation protecting air, water, land and public health. These laws have led to transformative and generational change. Our existing regulations protect human health and the environment, and given the continued development pressures throughout California, they are still relevant today. 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. Multi-benefit restoration and sustainable development projects are complex and competing interests must be carefully balanced, sometimes with difficult choices. How do we protect communities, provide public access, ensure projects are balanced equitably, that right historical wrongs, restore habitats and protect water quality, while under the increasing pressure to act rapidly in the face of sea level rise and climate change? The urban landscape, including important infrastructure was built long before we identified many of these challenges or made thoughtful choices about how to design an equitable and sustainable future for all the communities of the bay. We need to innovate and pilot new solutions at greater scales while evaluating the effectiveness of our actions. San Francisco Bay Restoration and Regulatory Integration Team, or BRRIT, is a collaborative effort of regulatory and resource agencies the state Coastal Conservancy and SFU restoration authority and nonfederal public funding agencies, focuses on permitting for multi benefit restoration projects and the associated flood management and public access infrastructure in and along the Bay Shore. In addition to permitting staff, corporate agencies have agency managers on the policy and management committee works closely with the BRRIT to collaboratively identify and resolve policy issues and conflict. This really is an effort started by permitting agency staff who saw the opportunities to restore 100,000 acres of vital wetlands with the passing of measure AA and wanted to do what they could to lean in. In 2017, multiple workshops and meetings were held to discuss the shared permitting and monitoring needs for wetlands around SFS, shores. Restoration proponents, organizations, and foundations identified improvements to the regulatory process as a focus that was needed to successfully accomplish the measure AA goals to protect, restore, and enhance San Francisco Bay. Agency staff and managers work with the state Coastal Conservancy and SFARA to propose a dedicated team of regulatory staff supported by funding from the restoration authority for projects that qualify for measure AA funding. Without this targeted funding, many agencies could not commit to dedicated consistent staff for the projects. BRRIT consists of representatives from the US Army Corps of Engineers, the Fish and Wildlife Service, NOAA's National Marine Fisheries Service, San Francisco Bay Regional Water Quality Control Board, California Department of Fish and Wildlife, and the San Francisco Bay Conservation and Development Commission. Today we participate in the BRRIT on an ad hoc basis. The cost for the permitting staff was approximately 1.5 million [inaudible], coming from the Restoration

Authority, Coastal Conservancy, Bay Area Toll Authority, Valley Water, and East Bay Regional Parks District. In addition to supporting the initial funding for the team, the Coastal Conservancy and SFERA continue to be absolutely critical in managing the funding and also coordinating agency agreements where it works, by focusing on the pre application process and working with project proponents increase certainty by identifying critical parts, including contracting and construction deadlines and trying to work towards those. We engage with projects early and often to identify issues and provide guidance and requirements to help projects navigate the permitting. As of their experience and expertise, bridge staff are able to guide applicants in what sea level rise information they should use when submitting projects, and are able to expedite the permit process by helping proponents identify efficiencies like programmatic permits, expedited consultations and streamline processes like cutting the green tape. We found that when combining experienced regulators with permitting efficiencies and streamlining tools produces increased results. BRRIT finds flexibility within existing regulation to allow more efficient project permitting. When there are conflicting requirements or policy that can potentially delay permitting, the Brit works with the Policy and Management Committee to elevate those issues. Current workload includes 32 multi benefit projects and nine Bay Area counties. This includes 10 fully permitted projects. These projects will result in greater flood protection, public access, habitat restoration and water quality improvements. BRRIT actively seeks feedback from project proponents through satisfaction surveys and one-on-one interviews to improve our process. In addition to permitting process, the BRRIT and managers on the policy and management committee work on complex policy issues that arise in multiple projects, including how to permit restoration projects that result in take for fully protected state species, and also those that need to establish artificial reef. The major focus currently is coordinating the permit process for nature-based solutions, including horizontal levies and ecotone levees. There is not one way to get to a climate resilient future. Really is a "yes, and" situation that requires multiple solutions, collaborative permitting, streamline 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. Everyone should be engaged, not just restoration practitioners, project proponents and regulating agencies, but also neighboring landowners, local communities, overlapping infrastructure and interested parties that have historically been left out of the planning and design processes. Increased collaboration will also enable us to build better, streamlined processes where we ensure that sovereign tribal nations are not excluded from projects on our land or ancestral territories due to regulatory exemptions. We need bold action that uses regional priorities and science to rethink traditional gray infrastructure and incentivize nature based solutions. Deep Blue studies have shown migration space for wetlands and coastal resources is critical. Changing decisions will need to be made around defending critical infrastructure and balancing where to create space, the rising sea, migrating bay lands on the shoreline. In the BRRIT we've seen that we can balance environmental protection with thoughtful climate resiliency. We've learned iteratively, and share those lessons with pocket proponents and other agencies. We need everyone at the table. This includes critical infrastructure like utilities and railroads, and also includes proactive leadership that supports funding for interagency teams, adaptive management, and innovative processes. Thank you very much.

Len Materman

Thank you, Chair Wicks, and distinguished Senator and Assembly Members for conducting today's hearing. My name is Len Materman. I'm the CEO of the San Mateo County Flood and Sea Level Rise Resiliency District. We're also known as One Shoreline. Today I'll briefly discuss what One Shoreline ...does, what our challenges are in terms of permitting, and a few ideas on how to address them. I want to acknowledge Assembly Member Papan, who is on our founding board, and on our board for several years, and was a real leader in the formation of One Shoreline and getting it off the ground. We were established on January 1, 2020 [inaudible]. Just to the south of here is that San Mateo County, like many areas of California, has already been severely affected by the water-related impacts of climate change, including drought, coastal erosion, as we have a low-lying urbanized Bay shoreline and an expansive Pacific coastline, rising sea level and groundwater that threatens more people and property in San Mateo County than any other in California. Addressing this transformative threat requires multi-jurisdictional, multi-disciplinary approach doesn't underestimate the challenge. That's why, with the financial support of all 20 cities in San Mateo County and the county [inaudible] legislation, as I mentioned, first county wide independent government agency to focus on climate in the state. In addition to pursuing a stable source of operating funding, One Shoreline has three priorities, all of which relate to funding. Not surprisingly, a top priority is to advance projects that align long term resilience across jurisdiction for developed natural and public access areas. The state's permitting regime to approve such project covers most of the definitions of the word regime, system, process, or a bureaucratic and autocratic form of government. A permitting regime is designed to reflect our values, and it is implemented at regulatory agencies by dedicated, impressive staff. It's too complex and coordinated and discretionary. Our permitting regime does not recognize the societal value of building climate resilience, and it is rooted in 50-year-old laws. They're understandably more focused on maintaining historic conditions than on creating habitat that can survive rapidly changing conditions. Our agency's second priority was not foreseen. That was established state law. We were established as a long-term resiliency agency, but we immediately noticed that many existing and recently proposed or permitted developments along the shoreline and creeks reduce opportunities to build resilience, especially resilience that incorporate the natural infrastructure against flooding, sea level rise, and groundwater rise. So I want to emphasize that last point. 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. So in a sense, the permitting regime is contravening the state's goal and local goals for building habitat, because it is permanent projects that eliminate the opportunities for putting habitat [inaudible]. To address that in San Mateo County, wanted to rely on developed language for local governments to integrate climate resilience into their general plan, specific plans, zoning ordinances, and reviews of private development. And now we're extending this to public infrastructure, providing guidance, guidance for storm water, wastewater, water recycling, odes and parks designed for future conditions and not historical. Right now, a lot of that infrastructure is still being designed for historic events. We need to think about future events

when we're instituting new designs, parks, roads, storm water systems, wastewater systems, all of that, but today it's still being designed for a historic event. My goal for these assets is to function for their intended lifespan and contribute to regional resilience. But we cannot do this alone. Our resiliency requirements at the local level are more difficult to enforce when state permits don't support them. When One Shoreline state legislation passed in 2019, five years ago, it also did not anticipate we would immediately be focused on climate-driven atmospheric rivers. It was mentioned that it made worse by storm surges and higher tides. But drought and deluge cycles in 2021 2022, and 2023 brought significant flooding as a result of substantial rainfall and our inability to safely drain that water to the Bay and ocean. The final One Shoreline priority relates both the planning policy guidance I just discussed and to the permit we are now seeking to remove debris that built up over decades in the most flood prone stretches of creek in our county. Importantly for this conversation today, most flooding events occur where creeks intersect with CalTrans roadways. We're working with CalTrans, so that our permits enable them...to be maintained under and near highway 101 in El Camino, in case of our county. In our work to secure this pool to remove debris in flood prone areas, we found that the only way to expedite such permits is to apply as an atmospheric river is barreling towards us, or after flooding just occurred. And our permit application to remove this proven threat does not recognize the inherent benefits of that effort. It's treated as if it was a project that was completely unrelated to providing societal benefit. In conclusion, we know that climate change is not waiting for a permit, and we need a state permitting regime that can meet this moment. In some cases, a state regulatory agency needs to adjust their focus or make more efficient their process, as was discussed, while in other cases, agencies should have expanded authority. Here are five ideas to consider that uphold our environmental values and would help the permitting regime get to yes. I submit that permits should recognize the value of the project, projects that build climate resilience. Permits should support proposals to build habitat resilient to future conditions. Implicit in these in these five comments is that they do not currently do that. So the first is that they should recognize the value of resilience projects. They do not do that. Permits could support proposals that build resilient habitat behavior conditions rather than just historic conditions. Permitting clocks regulatory agencies work under should not be easily paused or reset. Right now it is. You can just reset the clock. What's the point of the clock if you can reset it? State agencies should have the authority to approve land use plans and project permits, such as for housing. We need housing, boats, parks, facilities, all the things that make our communities function through the lens of climate driven future conditions. Currently that's not done. Finally, permits to remove a proven flood threat from major storms to be easier to obtain outside of when that storm is on. I'm happy to get more specific on these points and look forward to your questions.

Asm Wicks

Thank you very much. Last [inaudible] for this section.

John Bourgeois

Thank you, Lynn, thank you, Madam Chair and committee members. My name is John Bourgeois. I'm a wetland ecologist by training. If you may have deduced from my last name,

I'm actually from the swamps of South Louisiana, but I have been working in San Francisco Bay marshes for about 25 years. I've spent my entire career here trying to get habitat projects implemented in San Francisco Bay. I'm currently the Deputy Officer at Valley Water. Valley Water is a very unique water agency. We serve Santa Clara County, which is Silicon Valley. We have a water utility mission, we have a flood risk reduction mission, but we also have a stewardship mission that makes us kind of unique among water agencies. My personal responsibility is ownership of that stewardship mission. We also do all of the permitting, CEQA, NEPA clearance for all of our large capital projects, which is responsible for a lot of the gray hair you see on me today. Prior to joining Valley Water, though, I'm not just here representing Valley Water. I'm also here because I personally want to be here. I am passionate about this. I served almost a decade as executive project manager for the South Bay Salt Pond Restoration Project, which is the largest wetland restoration project outside of Louisiana and Florida. I was, you know, naive going into that project, when I first started as project manager, thinking, oh, permitting is going to be easy. This is a voluntary restoration project. Everybody loves this project. Permitting should be easy and fast, right? It was not. And I understand some of the reasons for that. Everyone needs to be treated equitably. And so they were not able to treat a wetland restoration project any different than a development or parking lot, and I suggest that maybe we should. And I'm glad Sahrye is here, because I think I was actually at the table in the development of the BRRIT and I think it is a great model that deserves some further exploration and look at what's working and what's not. I think a lot of the concepts there are really strong and can be applied elsewhere. I'd also like to call attention to what she mentioned is the Policy and Management Committee, which is the level above the people actually issuing the permits. And Larry Goldman, at the time, asked me, when I was with the Salt Pond Project, you know, John, what are some of the things that are hanging you up? What are some of the policy conflicts between the regulators? And there's a lot of them, you know. Not everyone has their own jurisdiction, and they're not always aligned, and they're in conflict. And so that that policy management committee is actually exploring some of those policy conflicts that can hang up projects significantly. They're actually looking to resolve those. And so I think that's definitely something that should garner a little more attention is those efforts trying to resolve policy conflicts between the regulators, which can cause applicants a lot of consternation. So I'm glad you guys got out on the bay to actually see some of the stuff, but I'm assuming you kind of stuck pretty close to here, around the North Bay. If you had gone up into Sausalito, you had gone down to the far South bay, you would have a very different experience. And that kind of is a telltale sign of, you know, the variety of types of shorelines we have on the Bay. You look at the issues facing the Embarcadero and the flood risk that they have to do, it's very different than what Lynn's having to deal with in San Mateo coast. It's very different from what we're having to deal with in the Santa Clara shoreline. Valley Water is actually partnering still with the South Bay Salt Pond Restoration Project. We have an unprecedented opportunity down there because of former, I think San Diego Bay has salt pond restoration as well. These salt ponds can be restored, so you can really focus on more nature based solutions. But not all areas are created equal....They don't all have the same opportunities, and so we need to acknowledge that, but we need to find a way to make sure that the goals of these projects are all very similar, right? We're trying to provide flood risk reduction, and we are in a race, right. Field rise,

as Lynn said, field 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, especially some of these nature based solutions, to catch up, right? We have to get these, these restoration projects up and running and the habitat established before it can provide those benefits. So that's a real that's a real issue of making sure that we are cognizant that time is of the essence. The one thing I've learned in my 20 plus years of trying to get large scale projects put in the ground is that large scale, multi-benefit, multi-jurisdiction, means compromise. Period. And sometimes, you know, you can talk to, you know, leaders, you can talk to heads of agencies, and everyone understands that, but when you get down to actually getting a permit, it's adhered to by the letter of the law, right? And so there's a little bit of lost in translation going on between the need for compromise to get these projects done and the actual execution of that. I'd also like—something that Sahrye touched on. You may have caught Valley Water's name in her talking points about—we are one of the funders of the BRRIT. So we actually pay—so we not only pay for members of the BRRIT, we pay for members, staff members at CDFW, we pay for staff members at the regional board. There is a staffing shortage. There's not enough staff to get this work done. And I would also argue that we should also maybe look at the pay scale, because there's a lot of turnover at these positions. I mean, these are these are bright, passionate people that are doing important work, and there's high turnover, and that causes delays as well. In the nine years I was with the South Bay Salt Pond Restoration Project. I won't name the agency, but there was one agency, I had five different analysts in those nine years. Every time I had a new person appointed to me, I had to start from scratch. Right? And that takes time, and that's happening at all the agencies. The retention is really important at these agencies, continuity for these sorts of things, and that's why the BRRIT having dedicated staff for this very specific type of project is really an important, an important thing. So I could regale you with horror stories. I won't do that. I also have a list of potential solutions I can go through those, some of those really quickly, but I know you want to get to Q and A. I think stopping the clock is a big one, right? All these agencies have timelines that they have to hit, but the timeline doesn't start until your application is deemed complete. So there's a little loophole. So we would like to see maybe some limit on the bites at the apple before that. I totally respect that these agencies need to have all the information at their disposal to make a decision, and they should have a couple of bites at the apple. But at some point, I've literally been asked by regulators to provide the same information in graphical form instead of table form. Like, is that really the information is there? You know? So I think we need to get away from those sorts of things that kind of prolong the timeline. If information is missing, absolutely, that's one thing. But if you're just looking at it in a different format, and all the different agencies have similar information requests in slightly different formats, the jurisdictions are slightly different. So I think maybe giving them a limited number of bites at the apple. I think where jurisdictions overlap, agencies should accept mitigation the same mitigation packages. Right? I think that's, that's, that's a big one. For example, you know these landscape scale habitat plans, HCPs, NCCPs, some agencies accept them as mitigation and prefer them as mitigation. Others don't accept them at all. So you end up sometimes double mitigating and having to coordinate that. We talked about staffing and yeah, I'll stop there. Thank you.

Asm Wicks

Great. Well thank you very much to all of our panelists. I'd like to open it up now for questions from my colleagues. Ms. Papan.

Asm Papan

If I could just start...so I want to thank Ms. Cohen for your...testimony. It was fascinating to me how many different agencies you referred to, trying to bring them together, because I know, like in my jurisdiction, thanks Len for your history, if you will, because, I mean, we've had agencies wait upwards of five years to get a permit. And it just does not work. So my question is, is there some merit, maybe Ms. Cohen to you with your involvement with BRRIT, is there some merit to what Mr. Bourgeois talked about, which is, can we have overlapping satisfaction of information? Because it seems to me like I remember waiting for BCDC for an eternity to get a pump and levy station done in my district, and this is when I was on the City Council. And the longer we waited, the more folks were in the flood zone, and the more they paid in flood insurance. And it was really, really difficult for folks that were of modest means, and flood insurance is no cheap date. I know that doesn't have a lot to do with the building, but one thing I do want to mention is, in our district, my district, we also tried to make it such that people want to come in and build part of the building that they're going to do to satisfy some level of accommodation for sea level rise. So there's lots that can be done on the front end of building as well. Does it make it any cheaper, but at least it prepares us for the future. But anyway, Ms. Cohen, if you could answer about can we make the satisfaction of certain inquiries overlap among agencies?

Sahrye Cohen

Thank you for your question. So Mr. Bourgeois was at many of those meetings in 2017 and expressed a lot of similar information, which is one of the things that helped guide us with the BRRIT. And so one of the things we've really been testing through the BRRIT is to have a robust reapplication process to try to work out those intersections. We initially really wanted to get to when—to have a project submit applications to all agencies concurrently. We haven't quite achieved that. We're still not able to get the sequence entirely right, but it does engage project proponents earlier. So it is extending kind of their discussions with the agencies longer. But one of the things we're able to do is work out some of those overlapping issues about mitigation, about jurisdiction, about the questions of what information we need to analyze. So it is improving the process about those overlapping issues and intersecting issues, but it is still something that the agencies get together to talk about. Otherwise you're getting sequencing, you're getting things one after the other instead of parallel. So that is one of the strengths of what we're trying to do.

Asm Papan

Before you go. So you're talking about environmental review and the link that that takes, which is, frankly, permitting per se. Would you agree?

Sahrye Cohen

So all the agencies that are on the BRRIT plus EPA are permitting agencies, so they either are issuing state or federal permits or licenses or water quality certification, WDRs, so they're all some part of the what I would consider the actual permit process.

Asm Wicks

Great. And Ms. Petrie-Norris has a question, and she's joining us [inaudible] from California. She's also chair of our Energy and Utilities Committee. So thank you for being here.

Asm Petrie-Norris

Well, thank you, Madam Chair. Really appreciate you convening us for this hearing and for bringing us together as part of this select committee. I think the fact you have within a member count, but a dias full of members joining for this hearing and flying up to be part of it, I think, really is a testament to the fact that we recognize that permit reform, I think, is one of the most important challenges that we face in the state of California in the years ahead. It touches so many of our critical priorities, whether it's housing, clean energy or building climate resilience. And I represent a district in Southern California. Southern California, as in Northern California, sea level rise is a huge, huge challenge for our coastal communities, and really the future of our coastal economy. As we approach this hearing, and I think we've got more scheduled for the fall, one of the things that has been a goal for me is for us to drill down and get as specific as we can on solutions. Because I think we, at a high level, all understand the fact that we got to get good projects online more quickly. We need to move faster if we're going to actually tackle these really existential priorities. We then, candidly as policymakers, then connecting the dots from, you know, high level, we need, and some of you were starting to get specific so, and I appreciate that, but you know, going from, for example, we need to recognize the value of resilience to, what does that actually translate into into a change in state policy. So just as a starting question, I would love if you all could just get super specific on, you know, one thing that you would like to see change in the state level, you know, one thing that you'd like assist state policy makers take away from today's conversation.

Len Materman

One thing, so much [inaudible].

Asm Petrie-Norris

I was thinking...I was taking notes. I'm taking away more than just the one thing but, if we can get super specific on one thing that would be...?

Len Materman

So the value... What I meant when I said permits should recognize the value of projects that build climate resilience, is that, and John mentioned this when he was talking about he was building a wetland, not a parking lot, is when we build, when we propose to build, a levee, a flood wall, a wetland, all of things that are in service to resilience or develop natural and trails. That proposal, as John said, is treated as if we were, no offense to the strip mall community, but as if we were building a strip mall right on the shoreline. It's not different, and I think that

the inherent societal value of building climate resilience should be treated differently in our permitting process. That would be a specific—

Asm Petrie Norris

So we almost need to then ask our state agencies to develop a permitting process, framework and approach that is specific to resilience projects and differentiated from a typical development project.

Len Materman

Yeah, and I'm not suggesting that we're the only ones that are different. There are probably other types of projects that have greater societal value than others. Our area of knowledge base and activity is on climate resilience. I think that has a lot of value, so I suggest ours. But the state, the state permitting regime could look closely at what is being proposed and not treat everything the same.

Liz Whiteman

As a science organization, I'm not going to advocate for policy outcomes. But I will offer two things into the conversation, one of which is that I would submit that workforce training and training of professionals currently in the positions trying to evaluate information in front of them as to what it means to embrace climate resilience as part of permitting, should be, I think part of the conversation. Many of these folk are in jobs that were not written, job descriptions not written to accommodate the kinds of decisions that they now face on their day-to-day jobs, and I think we can lean on our university and education systems to provide training opportunities for workforce professionals. So that's one specific. The other is, I hear an awful lot about how you know you end up in these conversations, where its nature pitted against X, Y or Z, we'll see. And I think we can, we can, again, lean on our science colleagues to bring common currency into the way in which we're evaluating tradeoffs in making these permitting decisions, so that we think about and we quantify in dollar values the blood risk reduction that a marsh provides, and we put that alongside other dollar values of things. And there are ways to do that that I think could then provide information in a common currency that would help the staff people trying to approach these permits. So that's my science answer.

John Bourgeois

I'm not gonna be able to give you one, but I'll go quick, I promise. I want to echo Lynn's comments. I think having projects in different buckets makes it and that's why I'm glad the BRITT is here, because that's what it tries to do. But it's a very narrow, right, you have to, it's a very narrow, you know, type of project, but maybe that, that model needs to be looked at for broadening, you know, into a secondary pathway, potentially, of things that have greater societal value. I know that's going to be hard to wrap language around. I would say staffing. I'd like, let's get more funding to these agencies. Let's get more—all the regulators I know are super overworked and underpaid. So I think that would, you know, attract more, they would stay longer. I think that would be important. And I know that's probably not a popular suggestion. I think maybe having the number of bites at the apple on an application, you get

two reviews, and then either say it's inadequate, go back to the drawing board, or, Yeah, we're good. Like, I think just having some sort of time frame around, you know, the number of times they're asking for more and more information would speed up the process. One more. Oh, yeah. And this is also with the BRITT, is having working, having these agencies working in concert instead of in sequence. Yeah, right. It's this complex domino effect, right? You got to have this one before you get this one and this one and this one before you get this one. And this one has to come in from the outside over here, right? Like, can we, and again, the BRRIT is kind of a little bit of a model for that. So...those are some specific suggestions.

Sahrye Cohen

So I think that on my wish list we can certainly, as regulatory and permitting agencies, accept more risk and uncertainty. But with that comes, maybe on the back end, we need for funding, adaptive management and monitoring. So if we're going to take some of these innovative projects that have nature-based solutions that haven't been tried in California, I'm going to do those. But there's some real special status species here. There's endangered species, listed species, and sometimes we're not 100% sure what's going to happen to those, so adequately fund these projects. And I think most large projects have a lot of challenges. It's very expensive to get work done, and they're not doing that adaptive management and monitoring on the back end. And so providing more funding, recognizing that as a situation, if you get it in the ground quicker, then we need to be able to fix things that might not be working. And then also we found for the BRRIT that even when we work together as state and federal permitting agencies, we're finding that there's so much infrastructure. There's railroads, there's utility districts, not Valley Water, but other flood control districts, you know, infrastructure that's under the ground already there, and sometimes those businesses are really hard to contact and get to work with the project, and so being able to get them to the table is really critical.

John Bourgeois

I would like to just say, the acceptance of risk, I think on both sides, is really a hard one to get over. I've had regulators tell me point blank that they don't trust the adaptive management process. And so, you know, even though we've committed to it, and we've funded it, and we've got the dollars in our CIP program for it. They're like, we don't trust it, so, like, I think compromise is on both sides.

Asm Petrie-Norris

Got it. Thank you.

Asm Wicks

Mr. Ward, and then we'll go to Mr. Ward, and we'll see if anyone else wants to ask questions.

Asm Ward

Thanks. Ms. Cohen, I wanted to sort of maybe dig in a little bit deeper, since it seems to be that you're maybe a potential pilot model that others are looking toward for the kind of efficiencies looking for. As you talked about that, to kind of get up and running, you needed

about a million and a half dollars over five years to be able to, I guess, have staff support to be able to do some of the permitting activity. But with that, was there, have you analyzed what the alternative would have been? Like what would you what might you have needed, you know, if you were still acting independently as all these different agencies in the form of staff support, to be able to form the same outcomes? Is it more efficient, I guess for this level of staff?

Sahrye Cohen

So we haven't done any economic analysis to kind of compare if we were working with regular staff and these projects were dispersed among different staff at different regulatory agencies, how long that would have—would take versus and how much it would cost. The reason we settled on this model is because there were already examples for both state and feds of, for instance, Valley Water, other non-federal entities paying for expedited permit review. And so that's really kind of the model that we used in order to form this group. So we did look at data before we started, but it's only as good as it was entered, and so for restoration projects, we found anywhere from 27 to 2000 days. So it's been really hard to compare that and to quantify it.

Asm Ward

And then, since you're kind of defining yourself as collaborative permitting, and, you know, being an integrated team, how are you approaching some of the decisions? So if you're a collection of certain agencies about maybe, who gets to analyze it first, how are you reducing maybe any redundant analysis that is maybe shared between any of these individual agencies that otherwise would look at it sort of independently and successively, and when conflict arises, maybe between a competing goal between two different agencies, how does that get resolved?

Sahrye Cohen

So the entire point of the BRRIT is that the meetings are held together. So the pre-application meetings are held together. BRRIT permitting team meets every week together to talk about the projects and work through those issues. There is some information that does need be represented to different agencies differently, and the team is still working through that. We have two staff here right now who are working on that. We also have a monthly meeting for the Policy and Management Committee for all the agencies, both staff and managers. And so that's where we raise issues, both on a project level and a policy level, to work through them. And we really rely on the staff to elevate those issues to them.

Asm Wicks

Thank you.

John Bourgeois

Can I answer that from the project proponent side? Because, you know, I've taken projects through the process, both pre BRRIT and post BRRIT. And I mean, I see Ali and Agnes in the audience. I know if they're on my project. I know they know what the issues are. And if some of

the—it's not quantifiable, the benefit of that, right? Because they've worked together, they know the issues are in the bay. I'm not starting from scratch when I know I get the BRRIT team, right, because they've gone through this multiple times in San Francisco Bay to the Bay specific issues. So some of the benefit is not really that quantifiable, but it is tangible for those of us that are coming in with an application, because we know they already know what we're talking about. So we're not we're not starting from zero, and that's hard to quantify.

Len Materman

If I could just add also that certainly the goals of the BRRIT are worthy, and getting them in the same room adds value, but at the end of the day, they have to go back—they meaning each agency rep—to their desk, write their permit based on their agency's requirement. So I would, I would really hesitate this committee to focus in on well, if we do the BRRIT and we institutionalize it around the state, we're going to cover this issue. That is going to help, but not going to help enough, because at the end of the day, we still have to go to the regional board based on their requirements. We have to go to the CDFW, the feds, all of that, and that's where we get [inaudible].

Asm Wicks

Thank you. Other questions—oh, Mr. Ting.

Asm Ting

Thank you, Madam Chair. But just to, kind of summarize, I mean, I heard this. You got one process where you get everyone together, they talk, and you try to have a plan ahead of time. What I heard a couple of you also say was, it'd be great if somehow, say, this is a climate project and we can expedite that. But what I didn't hear is, what is expediting or adding, you know, saying, hey, this is a climate project versus football. What does—what does giving it that weight do? How would you actually make it go faster? What it sounds like the feedback is, we have too many agencies with permitting authority. You know, and as you all know, consolidating all these agencies, or consolidating these tasks, is very challenging. So I'm what I haven't heard is I've heard words. I haven't heard a solution that we could actually do something with. Perhaps there is no solution. I don't know, let me just put it out there.

John Bourgeois

It's difficult, but I mean having, and Lynn's right, I mean, the BRRIT's not a panacea, but it does have, I think it's a good starting point as a model. And just having a dedicated team, right, so you're not going the normal pathway. You get whatever, you know, staff you get. You're on this other pathway that's supposed to be, and the BRRIT actually has some metric for performance, right, because it's funded through public dollars. So you know, if they're not meeting their deadlines, you know, Valley Water is a funder. We could, we could stop paying for the service. The other thing, and I'll give you an example, is the South Bay salt Pond Restoration Project, the first suite of projects we sent through. We were having, this is a voluntary wetland restoration project. The primary focus of this project is habitat restoration and endangered

species habitat. We were having to mitigate for that project, mitigating for a voluntary restoration project just wanted to make my head explode, right

Asm Ting

But isn't the restoration mitigation?

John Bourgeois

We had to do some very creative workarounds to make it pencil out because, technically, to restore the bay, to restore the tides, you have to build some sort of flood protection on the inland side, right. You can't just, you can't just let the tidal waters come in and flood the neighboring communities, right...you have to build some features. And those features require fill in waters of the state and waters of the US. And the no net loss policy says you can't. You have to have a net gain. Well, converting a salt pond to a marsh, that's a type conversion. You're just converting one type of water to another. There's no net gain in waters of the US. So, you know, there's all these, I mean, I'm sorry to get super nuanced here, but, you know, for a restoration project to have to mitigate, it was just, you know, it was tough to swallow, and we had to get pretty creative with how to do that, because you had to show no net, you had to show up no net loss of wetlands, of waters of the US, and so those sorts of things, seems like there could be an exception for those sorts of things. And, you know, the balance goals just updated in 2015 and I was coauthor on two of the science chapters we're looking at Eco tones, float levees that we don't just build walls. We build gradual transitions of habitat. So as sea levels rise, the marshes can migrate up these gradual slopes. That requires a lot of fill in the bay. And 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. We have to mitigate for it. We have to find mitigation within the project through some creative nuance. And it seems like things like upland transition zones, which are a direct sea level rise adaptation approach.

Asm Ting

I guess, going back to...your second point. So we can't really say, I guess, the whole point, like you said, we established all this law to not fill in the Bay. And so are you saying that we should mend and say, you know, the Petris Act and say, hey, you know you can feel the Bay under these circumstances, or?

John Bourgeois

And BCDC is looking at that. They are, they are looking at, you know, but it's a slow, it's a process, right? So.

Asm Ting

But we could do that too.

John Bourgeois

Yes, you could.

Asm Ting

Right? So...I think what we would look for from you is, you know, most of what you said is not for us, and then we could take and go do something with. But the more specific, going back to my colleague, Florence County's question, more specific you can be with more specific examples, situations that could be addressed. And obviously, the better, the bigger the situation, or the more the situation covers more than one circumstance that would be, I think, helpful, because that's something that we can go address, and all the other things that you all raise, none of it was, you know, none of it I could take things or put into legislation, or we could put into it was just sort of, kind of broad, broad language, right? So I think that's what we're looking for, is, yeah, yeah, yeah. And, and the better thing is, if there are bigger, you know, this happens down the state, you know, or this happens, or we see this happening over and over again, and maybe you don't see that, but that would just be, that's sort of what we are trying to look for, because I think we feel your pain and we want to address it. That's the whole point of why everyone's here today. Sorry. Go ahead.

Asm Wicks

I was just gonna say, I think one thing though, I think that I noted, I think, how the clock gets to stop. I think that is something we could work on legislatively. But yes, the more specificity, the better, because we are lawmakers hungry to do bills, to be a part of the solution. But I want to let anyone react to Mr. Tings comment,

Asm Ting

But I think Len wanted to say something, sorry.

Len Materman

Thank you. I think there are some other specific things here. Habitat, right now, the permitting, permitting regime is about restoring historic conditions. We understand that we're looking at a pre-developed Bay. We're looking at develop these marshlands. But as John said, 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. And I think that there are ways to do specific legislation that talks about the goals of our permitting process in terms of habitat, and that's a pretty important [inaudible]. And as Chair Wicks mentioned, these laws were developed in the early 1970s. We expect them to understand climate back then. But now, things are different, and there are opportunities. Now this could be a Pandora's Box. You want to open it super carefully about these important environmental laws. But if not now, when? To think about these questions.

Asm Ting

Right, but even, even the folks who championed the legislation the 70s, I think none of them would be opposed to habitat restoration. I mean, so I think that's trying to figure out the issues that there is general agreement about, how do we actually carve that out, and how do we

implement that? And that's where we need your guidance, because you're in the weeds on these issues, and you see where the barriers are and the hurdles are, because it doesn't, you know, going back to, you know, John's point. Look, habitat restoration is the mitigation, mitigating for all the damage that was done from taking away the habitat, but to me doesn't make any sense like that is what mitigation is, so.

Asm Wicks

Thank you. And I think we have Ms. Petrie-Norris had one other follow up question, as did Ms. Papan, and then we'll wrap up this session.

Asm Petrie-Norris

Okay, just a quick follow up. So one of the things that Secretary Crowfoot had framed as one of his strategic priorities when he was appointed, I think, like when he was first appointed in 2018, was cutting green tape. And he has had a number of initiatives, I think task forces. How much has that changed or improved the situation for folks working, you know, in organizations like yours? And it's okay, if the answer is not at all. I'm just curious.

Len Matterman

I'd say I haven't seen a benefit from it. Doesn't mean it's not a worthy effort, but I haven't seen a benefit

John Bourgeois

Hasn't affected my day-to-day at all.

Sahrye Cohen

So one of the things that we've asked the BRRIT staff to track is programmatic effort. So that includes projects that intersect with cutting green tape or other programmatic efforts on the federal side, like programmatic biological opinion or the statewide restoration order for water quality certifications and WDRs. And so I think one of the things that we've seen is that there are quite a few projects that are able to use kind of these programmatic efforts. One of the other things I think we've seen is that perhaps less complex projects are more easily able to use these programmatic efforts. And so the bow is very complicated, and we focus on that. So one of the things that might be possibility is that there's staffing that's able to focus on more complex projects because of these programmatic efforts are making it possibly easier to review and permit some of the simpler projects. That is a question that should be tested. It is one of the things that we're tracking in the BRRIT and is in our annual report to the SFERA. Happened

Asm Wicks

Papan, last, last comment or question.

Asm Papan

I just want to follow up on Ms. Whiteman's suggestion. So I agree with you that there should be some sort of currency, and I would, from a legislative perspective, like to look at that more,

because since '75 we built a lot around the bay, and part of why One Shoreline was created, which because the vulnerability of not only public infrastructure, we've got a lot of corporations, big time corporations, that keep not only the state going, but keep the nation going. And so I am very concerned that not only we looking at it from a hey, let's get back to wetlands. Sure, I'm with you, 110%. But nonetheless, there, there are so many vulnerabilities that do need sort of that currency. In other words, how much does it mean, dollar wise? Who is going to be exposed? Who has to pay X number of dollars, as I mentioned in flood insurance, or whatever it might be. I think there may be something legislatively that not only looks at, how are you going to achieve perhaps the best environmental solution, protecting against sea level rise also, what's going to be the most cost effective thing we could save residences, whether it's regions, whether it's wastewater treatment plants, all of those things. So some suggestion about how we could legislate to look at currency, very interesting way of evaluating these things. Perhaps, once you have a metric, perhaps the evaluation goes a lot faster.

Liz Whiteman

Surfacing the tradeoffs in a way that they can be actually looked at together. What I'd love to do is to be able to follow up with you. Colleagues at the University of California Santa Cruz are actually leaders in this effort, in the new Climate Resilience Institute headed by Dr. Mike Beck. And I think...I'd love to sort of regroup with him and convene and see if we could bring some ideas back to you.

Len Materman

If I could add one point to that, we've done a lot of talking today about permitting as something that promotes our environmental values, and that's appropriate. We should also think about permitting as something that promotes our economic values, and this is, I think, getting to Assemblymember Papan's point, and that permits are provided to facilities that are economic engines as they intersect with water or the shoreline. And right now, the state doesn't have the ability to enforce resilience towards economic values only towards environmental values, and so that's something that I think is ripe for legislation, and I'm happy to work with Chair Wicks and Assembly Member Papan and others to formulate the ideas around that. We need to think of our permitting as societal and economic value in addition to the environmental benefits that it accrues.

Asm Wicks

Thank you. Well, thank you. Thank you very much to our panel. Appreciate your participation today, and from the questions for my colleagues, we will we can clap. That's fine. We're allowed to clap. Yeah, on the floor, we're not allowed to clap, so we're all trained not to clap. Our next panel will be permitting reform needed to prepare for drought conditions, and we will allow our guests a couple minutes for their opening remarks, and they will self-introduce, if they could go in order of the agenda that would be great. We want to start with Ms. Ellen Hanak.

Ellen Hanak

Good afternoon. Can you hear me okay?

Asm Wicks

Yes, thank you.

Ellen Hanak

I'm Ellen Hanak. I'm a Senior Fellow at the PPIC Water Policy Center, Public Policy Institute of California. My colleague Brian Gray says hello to Assembly Member Papan, his neighbor. And it's a real honor to be here with all of you. Thanks for the invitation. So you probably know, Public Policy Institute of California is a nonpartisan research, policy-oriented research group. The Water Policy Center does work looking at a range of water related topics, and that includes also land use and air as it impacts water. What I want to, my charge today is to kind of give you really quick big picture overview of, sort of the climate challenge for our water supply system. The topic is drought, but you know, drought is also about having water from wet years to use during, during dry years. So let's just think about it as water supply. A little bit on some of the permitting things that, challenges that hang things up in this system. And then some suggestions for reform. I'm going to try to be as concrete as I can for you all. But it might be too small ball for you, because sometimes when you get really concrete, it tends to get small ball. So, okay, so big, big picture. Our water supply system is vast, big state. It's charged with delivering safe drinking water to 40 million Californians. It is also supposed to support a dynamic and diverse economy. That includes...irrigation supplies for the nation's largest agricultural sector. So big system and how it works. Mix of many, many, many local agencies, state and federal agencies own and operate infrastructure. And this ranges from above ground reservoirs, groundwater basins that are actively managed. A lot of conveyance moving to move water around, locally, regionally, across the state, and then, just like huge miles and miles and miles of underground pipes to deliver water to, you know, if we have drinking tap water anywhere. So that all is something that has to be maintained and kept...going, and it is fundamentally designed, if you think about sort of our water system works for supply based on a couple of things about our climate, sort of long standing things. One is that it's dry every summer, so you have to have water stocked away for the dry season, which happens to be the peak demand season, because that's also the peak growing season and when we need water for landscapes. The other thing is that we have the most variable precipitation in the country, off the charts. You've probably seen maps of this, just because of where we are in getting hit by different kinds of storm systems from north, south, coming at us. And what that means is we've got to be ready for floods every year and drought every year, and so we have to have multiple year storage available to manage that, in addition to the seasonal storage. Now, seasonal storage is accomplished through reservoirs aboveground, through groundwater basins and through snowpack. That's been a really important part of the system. The year over year storage is obviously not snowpack, because we don't have glaciers, but it is surface reservoirs, to some extent, keeping water for that. But then groundwater is like a really huge drought reserve. So this is the basic system. And then when you think about climate change and what's happening, it's kind of amping it up. So we are, you know, you mentioned, Chair Wicks, in your introduction sort of a lot of the aspects of climate change that are hitting us. You

think about the water supply system, the heat and the increasing volatility are key factors. Heat is getting rid of our snowpack. It's already disappearing in drier years. If you look at the projections, we cannot rely on that nearly to the extent we used to, it's changing the patterns of runoff, and then we're also getting bigger storms and drier dries. So we kind of need to figure out better how to manage our seasonal storage when we're not having that snowpack, and then also just the increased volatility...means that we're kind of growing flood risk. So our surface reservoirs are...being taxed to both storm or water for supply, but also not farm people downstream. What it all means, if you think about that together, is—and I should add sea level rise. We heard about all the kinds of things that are happening in terms of risk to the day. It's a risk for water supply too, because the Delta is a major hub, sea level rise is going to reduce what usable supplies, in addition to impacting coastal aquifers, making that water saltier. All of this means we have to manage our water differently to some extent, to adapt, and that includes also some major investments to improve our storage and our conveyance infrastructure. So—and when I say storage above ground, improvements below ground, big time, there's just a lot of cost effective opportunities to use our groundwater basins better, but also conveyance, to move it around and such, and then just dealing with all of the added needs to keep our...pipes, everything, the whole system working in the context of bigger storms, flashier floods, those kind of things. This all is on background of sort of ...an overlay on current challenges that are, you know, that water managers are dealing with all the time, and one of them is upgrading aging infrastructure. You probably are aware of dam safety issues. Those are widespread. Valley Water is working on one right now and so. So that has to be dealing with climate resilience in addition to just kind of fixing for the historical climate. There's a lot of pipes that need to be upgraded to...keep water safe. There are new water quality standards, as...the science is improving on this, so things like PFAs that have been all over the news, new standards on that. That means new treatment requirements. And then there's getting groundwater basins into balance. So 10 years anniversary now of the Sustainable Groundwater Management Act, which I don't know if anybody, any of you on this panel were...able to vote for that, but it's a big deal to be 10 years out on that. That is about climate resilience, if you want to think about one thing to manage our water systems for the long, long term, is having groundwater basins that are not just being depleted, depleted, depleted, so that we have that available for the long term. And it's a heavy, heavy lift, and especially you're going to hear from Sarah Woolf in a minute, in places of Central Coast, which have heavily overdrafted groundwater basins, and especially in the San Joaquin Valley, which is our by far largest ag region. So that means a lot of investments, a lot of costs across the board, in California by local agencies and...by state and state and federal infrastructure operators and owners. When we do research at PPIC, we talk a lot with stakeholders, and I can tell you that in the 20 plus years that I've been working on these issues, water system issues, the recurring, consistent theme that we hear from everybody is permitting challenges. So I was excited to see the preamble and the sort of, the charge of this committee, because I think it is really important, and I'm sure heard a lot of important things, gotten feedback already, I'm encouraging you to get more. And you know the basic issue is its preventing us from doing things in a timely enough way, and it's also increasing affordability challenges in a context where this is already a big deal in our water system. I'm just going to give you a few quick examples from some recent research. One is

groundwater recharge. This is a state priority. It's a local priority. It's key for groundwater sustainability. It's key for climate adaptation. And we did a recent survey in the San Joaquin Valley, which is kind of, you know, recharge central in a way, and what we found was that, while there have been some improvements in the permitting process or in the process for getting permissions, let's say, sometimes not an official permit, in order to be able to divert flood waters. So 2023, big, wet year, folks saw some improvements there. The big complaint, the bigger complaint on the permitting side, was just getting permission to build and then to operate projects. So this is other kinds of permits, you know, about, whether or not you can alter a stream bend, that kind of thing. Second, repurposing farmland, we estimate that between half a million and 900,000 acres of irrigated land is going to have to come out of production. You know, less, if we do more on recharge, but still a significant amount. If you don't manage that well, it's a huge public health risk, in addition to being a really big economic hit for that region. So there's a lot of creative energy going into now looking at how to repurpose it in ways involving solar, involving different kinds of land management that that maybe not going to be bringing in as much money as certain crops, but...can at least be productive in some ways. And right now, there are a number of preexisting regulations and laws that kind of are cross purposes with that, because they think is bad to take any farmland out of production. I'll have some concrete suggestions later if you want them. Delivering safe drinking water. Heard from a number of urban water providers that getting the state and the local permissions to do what they need to do, to deal with PFAs, to deal with Chrome-6 and just to keep their pipes healthy because they're getting old, can be a nightmare, and I think that the member who mentioned add ons might...have left, but yeah, Member Grayson, that's a huge issue at the local level for things like this, fix your water pipe, and you might be asked to, you know, build trees somewhere else in town, you know. So maybe reasonable mitigation requirements. We have...had a deep dive study...that looked at advancing restoration projects a few years ago, and my written testimony, which ...you have and which is available online on the PPIC website, gets into that more. That was led by the center's director, Dr. Letitia Bernier. That was looking at exactly some of the topics that you heard from the prior panel about how even restoration projects are hard. What Leticia and her team found was that there are some bright signs there in terms of possible models. BRRIT was one of them, sort of this idea of coordinating foods that have to do different permits. I would say that the Governor's strike team that he set up for the storage project that seems to be working in that same way of like getting the different agencies together so that they can work it out. Also, folks talked about programmatic permitting and sort of some specific ways, especially for simpler projects to get done, has been helpful on ...ecosystems. Somebody from Sustainable Conservation is here, they've been working a lot on that. I think there's room for doing that kind of thing, for things like ability to do local research projects, to kind of make some of that stuff simple. It shouldn't be so hard. And then permitting at scale to do big things, if you haven't had the opportunity yet to get input from Heather Dyer, who's the general manager at the...San Bernardino Valley Municipal Water District. She's been leading a multi-agency effort to do a Habitat Conservation Plan down in the upper Santa Ana River area, and this is simultaneously to do restoration under...the federal law, it's not an NCCP, ...it's not under state law, but under federal but then allowing, like, I think, 100 different water supply projects to happen at the same time. She

would have insights for you on how you could make that easier on the state side too, I think. Volunteering her without having asked her, but she always loves to talk about that stuff. So okay, so what can the legislature do? Some of this is clearly about making agencies work better, and so I just want to say there's no substitute for strong executive leadership on this. And I think you know, that's why it's good that the administration has been focused on...some of these issues, and I mentioned the strike team is one thing. Sometimes the administration has been able to do some things that have been hard for you all to do, and it's been happening through executive order initially. But there are, you know, ways if, when that stuff is good, to turn it into legislation. And you know, one example of that right now that's helping with groundwater sustainability implementation is there's an exemption for CEQA, the CEQA exemption for certain kinds of projects. Why should hazard following on a farm not require a permit, but if there's smart, organized following to do something good that has to go through CEQA, you know? So ...that's something that is worth working on. I want to also just highlight the something that you ...all passed last year that the governor, Governor signed, SB 149, which was basically streamlining judicial review of CEQA challenges. The Sites Project, which is the largest project for storage that's still on the table...recently benefited from that, and that's shaved years off of that, and I'm sure it's shaped a lot of costs because of the uncertainty. So those are the kinds of things that can be big. In our San Joaquin Valley, where we have a lot of small ball things too, suggestions. I don't think there's like, there's not one, like, big fix. There's—we've got a lot of different statutes, and so we might some of them have to kind of just be dealt with one by one, but that can add up to making something work. And so, you know, I've taken a lot of time, but I can give you, I can give you some more examples that you want later, and it's also linked in our, in the testimony.

Asm Wicks

Thank you very much.

Sarah Woolf

Okay, can you hear me? Hi, thank you for having me here today. Sarah Woolf. I'm a farmer in the San Joaquin Valley and also a water consultant. I work primarily with agricultural water users, and really, my business developed around sigma and the need that we all had to do new projects and do things with our land that we had not done before or contemplated as our role. And so there's a lot of excitement, has been a lot of excitement and interest in doing many of these projects, whether it's land repurposing for purposes of habitat or recharge projects or flood plain expansion. Farmers are very, very interested in doing this after flood flows, whenever they are available, and get them into the ground to benefit the aquifer. They have been, since 2019, easily submitting applications for, you know, half million dollar applications for appropriative water rights to be able to divert these flood flows, only to learn quickly that the State Water Resources Control Board really was not ready for us to do all of that because they did not have a process for groundwater recharge applications. And so we've been working through a myriad of problems that have arisen through this that I think were not on anyone's specific agenda, but just learning that as we're looking at our water supply system in a much different way today with respect to climate change and how we manage the overall

supply. It's not just in storage, it's not just in snow pack. It's also in recharge and other activities that we have to do all of these things differently. And I think it was said earlier, our laws are not written to...look forward thinking on this and how things may look into the future. So there's a lot to be done, and I'm going to touch on just a few of those items that I've personally had to deal with, with some of these projects that we're working on, on farm. And you know, some of these are happening through government programs, like Department of Conservation, Multibenefit Land Repurposing Program, you know, programs that are initiated by the state are still being hindered by these permitting processes that have held us up. And I think one, you know, I mentioned that we do a lot of floodplain restoration, expansion of floodplains in some of these historically dry creeks, that get flash flood events that you can easily spread out, make wider to slow the water down, allow more water penetration to occur as it's coming through in a storm event. And you need stream bed alteration permits for all of those. And to get a spring bed alteration permit takes years. And then you have to go and get one every year after and so there, I mean, that is a specific thing that I think legislatively, we could change—a flood plain expansion increase that are, you know, typically only filled during flash flood events, that is utilizing our system better than we have before, and we need to fix that. So I think that is a major one that could easily be fixed. SB 122 that was passed due to the executive order that the governor did in 2023 was extremely helpful. We would not have recharged the number of acre-feet that we were able to do in the San Joaquin Valley that year without...that executive order. However, the legislation passed, and there's some concerns around the clarity of what we can and can't do within that legislation, one of which that's a major concern, is fish screens. A lot of these projects are happening on flood diversion infrastructure, so not off the natural creek in many places, some places off the natural creek, but fish screens are required for any diversion. And what fish and wildlife wants in the fish screen is very nebulous, and we have not been able to clarify what that is. So that is something, you know, these are major investments for the landowners to prepare for these flood events. They don't know when they're going to happen, but they need to prepare ahead of time and have that all in place. But we need clarity on what will be required of us, and we're not getting that at this point in time. It was said earlier, and it's true in all of these permits on agricultural as well. 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. And so we are sitting on these permits, unsure what we can do with them. And you know, it's at the bequest of the agencies when they decide to engage with us. And that is very, very challenging, and it deters people from doing the projects because they just simply don't have the time. And, you know, we have, we have a timeline to meet on groundwater management, and we will not meet those timelines if we're waiting on permits. So again, I hearken back to SB 122, we were able to do a lot with our aquifers because of that, we had all put in applications for appropriative water rights, but couldn't act upon them because nothing has happened with them. So it's just a real live example of we're missing opportunities if we don't move these permits along. Also on the appropriative of water rights, which I do a lot of work in, the 9020 rule, which is one of the options that the State Water Resources Control Board has put forth as part of their streamlined process is not applicable and implementable in most cases on flood diversions because you

don't have the gaging stations that you do on most streams. There's a lot of locations that that just doesn't work in because you can't regulate the water the water flow that's happening in that particular stream... or infrastructure. Also, 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. So I mean, even as granular as that, getting down into opening up how we operate the system, and when we're able to take some of those diversions is important. And then lastly, I'll just touch on the increase in fees, which is to be expected, but we have had increase in fees of permitting of 1800% over the last few years—so significant. And as I mentioned, the appropriative water rights applications that we have applied for—each application has been a half million dollars each because of the amount of water that we're—we typically go after an application for an entire region so that we're working with the system as a whole, because there's a lot of expense in completing that appropriative of water, right, and this engineering work that has to be done along with it. So we've done them as groups, but there, those fees have gone up exponentially in just this year. With that, I will stop and welcome questions later. Thank you.

Matt Dias

Well, good afternoon. My name is Matt Dias. I'm the president of California Forestry Association, and I do appreciate the opportunity to be here, and I do appreciate the opportunity to speak about forest. It's a really important issue to me, and I'm glad to be here, because it appears to be an important issue to you as well. I have changed my testimony here based on that what I've heard to date or this afternoon, because it's clear that you guys are looking for very targeted measures, very targeted outcomes that could be contemplated, right? But to get there, I got a couple different things I wanted to cover. First of all, I just wanted to set the table in terms of context, because we live in a state that's 104 million acres, and we talk forestry, we always talk acres. The state of California is 104 million acres, and approximately 31% of the state is covered by forest. And in the context of this testimony and this panel, drought has been very hard on forests in California and chair wicks. You made the mention of the increased wildfire 250% over the course the last several years. That is the outcome of drought. And I'm not going to get in the life history of forest, and this is not a science class, but nonetheless, the relationship exists. Drought and stressing forests, forests, in many cases, are overstocked, and we have tremendous impact from wildfire on not only the natural resources of our forest, but the communities that are around those forests. And so the other piece that I think is really critical is the fact that we have so much federal land in California. So of the forest and landscapes in California, I'm not going to speak in broad context here, but just over 50% is federal and 50% is nonfederal. That nonfederal is a mix, if you will, of industry, whom I represent, non-industrial, small mom and pops, if you will, state parks, some other state lands, local jurisdictions, generally speaking. So when we think about permitting in California, we can't set aside the federal permitting nexus, because every project that happens on federal lands is moving through a different permitting process. In their world, they're operating under NEPA. And our nonfederal lands, we're operating under some permitting regime that is generally predicated on CEQA. Okay? So in and amongst that, when we have commercial types of operations, when we have few hazard reduction work or force

management activities that have a commercial Nexus, we have a Forest Practice Act. We have a Forest Practice Rule. That is your nexus to CEQA. On the flip side of that, we have noncommercial projects that are happening throughout the state as well. And state of California has done a very good job, in my opinion, over the course of last several years of investing in noncommercial projects, but the pathways to get those done is different. So I think about, when I think about forests as a whole and projects as a whole, you cannot set aside one permitting pathway to the other, because in California, we have seven to 10,000 miles of shared property lines, if you will, in jurisdictions and everybody is moving under the premise of the million acre strategy, which was set forth by Jerry Brown at the end of his at the end of his term, and now carried forth where the federal and state partners and private partners and indigenous voices, everybody is working to try to hit this million acre mark. So where we're putting projects together, we have this issue of jurisdiction, and you have so many acres that you want to get treated, and you hit a property line and things change, the tides change, the permitting timelines change, the culture changes, and you could come to a stop, or you could try to negotiate and build something, build a coalition that's going to continue that project beyond. Just food for thought. If you are in the unenviable position of trying to put together a non commercial fuel hazard project in the coastal zone, your permitting needs become all that more challenging, right? So, so I'm just going to kind of give you guys some ideas. That's a very broad entree into the forest world, right? But you guys clearly have an appetite for targeted ideas that you can think about. So I'm going to give you guys some targets to think about. And I'm not suggesting in terms of priority, that one's better than the other, but I think that these are all opportunities that you as a body can think about, that Chair Wicks, you can think about amongst your colleagues, and one of them is not focused on California permitting so much, but falling back on that issue of we have so many federal acres in California, and we're all trying to achieve a benchmark of a million acres. We're trying to motivate the Forest Service to do more on their landscapes to a certain extent. And there might be some opportunity, not that you can change the federal landscape, per se, but as members of this committee or your colleagues, I think it would be fair to say that you could reach out and express concern amongst your federal partners and say, we actually do have a concern in California that we want to mobilize and have more acres treated in California because we recognize the problem is so dire. Okay, so there is that. There are emergency authorities that the federal partners have, and you could reach out and say, we would like to see the Forest Service use more emergency authorities and work with private landowners out there to have more nature-based tactical options for fire suppression built across the landscape. AE fuel breaks, don't hit a property line and stop, keep going and like so you could motivate as opposed to a certain extent. I think about programmatic approaches, and I was touched by the first panel, because I heard, I can't remember the exact panelist's name now, but I heard that we're trying to do nature-based, and we're building resiliency through projects, and we're having to pull permits at the federal level, and the Regional Water Quality Control Boards that we heard about, green tape with Secretary Crowfoot and so there's all these cross-jurisdictional issues there as well. That is a challenge, and that challenge resides within forestry as well, where if you're doing commercial work or noncommercial work on nonfederal lands, you do have permitting through the resources agency, green 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. So there's a piece for you to contemplate. We also have this issue of, again, kind of falling back to regional approaches. There's certain agencies that have regions within them and have different permitting under 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. There's a thought for you, I suppose. Did make mention of the coastal zone. That's a very contentious, it's a very easy nuance, change in statute, but very contentious issue, as I can imagine. Many of my partners are working on sea route, sea level rise and so on, so forth. Very challenging. So I bring up these issues. I really think the...I really think that this coalescing of permitting is really something to think about. I do like the idea of the pause that was brought up earlier, not...having this iterative nature. Bring me another rock scenario. Be reasonable about it, be thoughtful. And...that resonates with me to a certain extent, and I really think that the state needs to lean in hard, to a certain extent, in an appropriate and diplomatic way, and try to incentivize our federal partners in the forest space to get more done within the context that they can or invest in projects, and that investment for the state is contingent upon certain actions at the federal level that's going to incentivize action. So I'm going to stop there, and if there's questions, I'll be happy to answer questions after my next colleague here.

Asm Wicks

Thank you very much.

JoAnna Lessard

Yep, excuse me. Good afternoon, Madam Chair, committee. Thank you very much for having me. I'm JoAnna Lessard. I'm the watershed manager at the Yuba Water Agency. Yuba Water Agency has five primary mission areas. We're, first and foremost, the Flood Risk Reduction Agency, we also provide sustainable water supply, hydropower generation, fisheries protection enhancement through the lower Yuba River, and recreation at New Bullards Bar Reservoir. So Yuba County is a small, rural county, and the Yuba development project runs right through it, but like most of Californians, our water supply is upstream and outside of our jurisdiction. Our water supply comes from the north Yuba River. It's primarily in federal ownership. It's unique in that it is one of the last large watersheds in California that has yet to have a mega fire. So we are very focused on pace and scale of restoration. And what that restoration will entail is significant amounts of thinning of the forest to undo what 150 years of fire suppression has done...We got involved in this work through, it's really kind of an interesting origin story, through financing a single project in our upper watershed. Again, it's in federal ownership. Blue Forest Conservation developed a tool called the Forest Resilience Bond, and the idea was to

have state and federal funding agencies come together with a downstream beneficiary to pay back impact investors, who would pay for the money to get on the ground more quickly. This project was completed in just over four years. So in that sense, the Forest Resilience Bond worked. That project would have taken 10 plus years to complete, normally. More importantly, the Forest Resilience Bond developed the relationships that led to the creation of the North Yuba Forest Partnership. Those relationships led to us agreeing to work at the landscape scale to get the entire 275,000 acre North Yuba River Watershed into resilience. We now have two Forest Resilience Bonds in that watershed. There are actually others in the state now, East Bay Mud and Metropolitan Water now invested in similar types of bonds to increase pace and scale. We're doing planning at the landscape scale. Update, there's a there was a recent NEPA document that covers 210,000 acres. There'll be multiple records of decisions. So using planning tools to increase pace and scale with our federal partners has been a part of the North Yuba Forest Partnership. One of the ways that CEQA has supported that effort is SB 901, and...that's a CEQA exemption. So if you've already done NEPA, you don't have to do CEQA. So that was an example of...a CEQA amendment really supporting that work. When you move down into Yuba County, we're also working with private partners, mostly industrial and nonindustrial timber companies, to do similar types of forest health work. Upper Yuba County is a significant hazard zone for fire, and we need the similar kind of work in the state responsibility area. We've used—we were the first project to use the California Vegetation Treatment Program project specific analysis as our CEQA document that came from a programmatic EIR focused on forest health projects. And we did find that that was definitely an avenue toward increasing environmental compliance so that we could start implementation more quickly. In fact, it worked so well that we just received a new CAL FIRE grant, and in...that grant, we're including a landscape scale CalVTP document to cover all forested acres in Yuba County. So this will supersede those other previous project specific, CalVTPs and new projects will be able to use that document to get shovel ready more quickly and more affordably. So in those ways, we're really trying to use kind of creative planning to increase pace and scale. We've been very successful both in our upper watershed and in the county for attracting new partners, attracting new projects, and specifically attracting significant amounts of implementation funding. The North Yuba landscape was selected as one of the wildfire crisis watersheds, and it received 130 million in implementation funding from the BIL Inflation Reduction Act. So a lot of money for implementation. But now we're up against bottlenecks that I want to spend the rest of my time talking about. The implementation funding alone doesn't solve and actually, there's an avenue for policy and permitting to support these bottlenecks. So these bottlenecks could be described as the three W's, it's wood, workdays, and workforce. Wood is biomass utilization. When we're doing these forest health treatments, most of it's not merchantable timber. Most of it's small trees, branches, scrub material. When you work at the landscape scale, you're creating mountains of it, which is essentially a waste product. There are very few biomass utilization projects in the state, there are very few places to take this material. For one project in one season, it's easily \$2 million in trucking fees to get that material to a place, even if they'll take it. Every time there's a fire, there's a blood of this material. And so we often run up where, not only is it very far away, but they're not even taking new chips. So this is a huge problem. We need investment in biomass utilization infrastructure

and combustion-based biomass infrastructure is one of the only commercial-ready bio energy types of projects that exist. There's a lot of pilot level projects working on other types of end products, syngas, other biochar, other end products. But using biomass to bioenergy with combustion-based technology is the only commercial ready type of technology, and it's actually very hard to permit a large combustion-based biomass project in California. So that's one huge bottleneck. The next one is workdays. Our implementation partners are stuck between waiting for the land to dry out enough so that they're able to go out and start using heavy machinery on the land, and that's managed through state water board, soil runoff and compaction rules. Then you start your implementation treatments, and you quickly run up against the it's too hot and too dry. And that's called an E day. I believe... it's an alphabet type system, A through E, E being it's too hot and too dry, down tools, no mechanical thinning whatsoever. So in some years, when we have an extreme winter and extreme summer, that implementation time is like 18 days. You cannot increase pace and scale, and you're not going to be able to spend the money quickly enough with just a few weeks of implementation time. That brings us to our third bottleneck, which is workforce. Workforce is heavily impacted by work days. We're not recruiting enough people into the restoration economy that we actually need to build if we're going to achieve a million acres per year, and the workforce that we do have are spread pretty thin. They often get pulled into fires with their machinery when there's a fire to help work on those fires. There's a lot of watershed groups now with huge amounts of implementation money trying to get those people to come to their watershed and help work on these treatments. And when you have them mobilized in your watershed, and then you have an E day, they're out there, mobilized, with crews, they're in tents, or they're in hotels...They have labor costs, food costs, housing costs, and they don't get paid...when they're not working on the treatments. So they have to decide if they're going to stay there and wait for the conditions to improve or demobilize and go where they can work. They're increasingly talking about leaving the state entirely. We can't go faster if we lose our workforce. So there are policy and permitting discussions to be had on all of these bottlenecks that would really help us. We still need implementation funding to keep coming, but without these bottlenecks being addressed, we are not going to achieve our goals. So I would—sorry, I'm done.

Asm Wicks

Thank you. Thank you. We'll now turn it over to members of the committee for questions or comments. I knew you'd have one, Cottie.

Asm Petrie-Norris

Okay, so can you, for those of us not as familiar with the world of forestry, can you help us understand a little bit the logic, behind the constraints for, you know, wet period, dry period, and you said, you know, there are folks that are talking about leaving the state. Are those constraints very unique to California, or are they similar in other geographies?

JoAnna Lessard

So my understanding is that the E-day protocol is a federal rule. So that would be similar across federal landscape, but our conditions, I think, are a bit more extreme in some years. So we

tend to have more E days, and that's obviously increasing with the increasing summers...But there would be mitigations. The whole thing with the the E day is that you, in order to proceed, you would need to get a variance...Variances are only allowed in very specific conditions, specific humidity levels, and those are based on weather stations. We're working with the Forest Service to try to look at more localized weather to reduce sort of regional E days when you could actually keep working, because conditions aren't the same where you're actually at. But even then, with increasing climate change and increasing hot, dry conditions like, we are going to run up against this time, where we're going to have to have mitigations to keep working, we're going to have to figure out how to work all year when it's not snow-covered. And that is achievable with training by crews and...on water as part of the project, and wetting the area before you start treatment like there would be mitigations that, I mean, this isn't insurmountable. It's just currently not allowed. With the wet period, and again, I'm...not a forester, I'm not an expert, this is what I'm understanding from my teams, this is managed through the regional board. And again, there would be mitigations with permitting changes. You could complete your treatments and go back and do, you know, some sort of soil amendments and erosion control. This is also solvable, but the down tools are waiting, and then again, waiting. That's not, that's not really part of the solution in the long run. Afire will come before we get done.

Asm Petrie-Norris

A couple other clarifying questions, as long as I have that have the stage, on, I think you said that... I think you said it's very difficult to get a biomass facility permitted in the state of California. I think that's quite an understatement. And I think sometimes there's a lot of reasons that those projects, I think, run into difficulties, but I do think one of the reasons is that many people think that, oh my gosh, that's going to somehow encourage deforestation and incentivize operations to, like, clear the forest. So can you help us understand just, you know, in order to meet the goals that the state has set over the course of, say, the next five to 10 years, what volume of biomass is that going to create? If we're just sort of on a glide path the goals that we need to hit in order to provide adequate fire mitigation strategies. Or put a ballpark.

JoAnna Lessard

Yeah, please, because I know it's gigantic, mountain

Asm Petrie-Norris

It's a big number.

JoAnna Lessard

Yeah, yeah. Big number.

Matt Dias

So two things, I think the next panel will be focusing on biomass, I think that's true. I will tell you real quick general number is if you're doing a project, this is a broad, broad number, if you're doing a project in the woods for the purposes of fuel hazard reduction, and you're

treating and creating biomass and creating about 15,000 bone dry tons an acre. That's an average. And I would even call that, if you want to be fair, you'd call that on the high end. If you're generally guaranteed, you're going to be 10,000 15,000 bone dry tons an acre, given the variability in states forests, right. Now, balance that against the million acre strategy, and you can start putting numbers together, and they get to be very big, closer to [inaudible]

Asm Wicks

Can you speak closer to the mic, please?

Matt Dias

Oh, I'm sorry, you could get to, you could get to numbers very big, very quickly. There was a study recently published by the State Board of Forestry and Fire Protection. They're talking about a million bone dry tons stored on the landscape, as we speak, like actually stored. That's not being created, that's stored. Not every single one of those is accessible, but that's stored on the landscape. So the problem, that my colleagues I'm sure will speak to, is dramatic.

Asm Petrie-Norris

Right, one more question, one more follow up. All right, so, Ms. Hanak, it sounded like, as you were wrapping up your testimony, you were suggesting that there's some reforms needed to Williamson Act. Is that what you were getting at, and be interested in digging a little bit into some of those specifics, and then also hearing, Ms. Woolf, your perspective on that?

Ellen Hanak

Right, so the Williamson Act is kind of a, it's a state-county partnership, and so the specific ways this gets implemented depends to some extent on county policy. And some counties provide more flexibility, let's just say, than others. There are some overall challenges of—this is really about thinking about... you get tax breaks if you are keeping your land in ag, right, and sometimes in open space. If you are, you know, as Sarah's neighbors and maybe even you yourself are experiencing, if you are really now in a situation where you're forced to ratchet down the amount of irrigable acreage, the irrigated acreage that you've got, you ideally want to repurpose it in some way that is going to be beneficial. And you at least don't want to get penalized for not doing not using water on it ...and so, you know, some folks say involved in solar development have been hoping to be able to retain that, and some counties allow it. And so there may be ways to sort of standardize that, although I know some counties won't like that, but there's also, you know, there are ways of, sort of making sure people, if they're going into sort of more habitat recharge basin kind of thing, that to make sure that they qualify for the open space provisions of it, those are not standard across counties. But then another really big thing is that 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. So not—changing the penalty structure. That's something I think that...the state could provide some across the board, help on and maybe help counties, at least with sort of rationalizing a framework so that not every county needs to go and go through their own local, local legislative process, because that's hard.

Sarah Woolf

Completely agree with Ellen. Those are all great points, and I think, you know, ...we are all trying to be as creative as possible with the land that we need to take out of production to ensure we can still farm a portion of it. Solar is a big component of that. Many water districts have deemed that as an agricultural use at this point in time to try to help with that transition. So Williamson Act, in some counties, I think, is recognizing in that way. That would be helpful. I think the penalties, the early exit...getting those addressed, would be very helpful. But these recharge ponds, or even fallowing for purposes of recharge when and if it's available, is still active farming. And so, you know, making sure that we broaden what the use of that land is, that it's not just so limiting, because it in many cases, it may just be fallowed in a rotational system. It may not be that field as fallowed for the next 10 years, but it is for the next three years, and then another section of your property maybe will be. So just allowing for that type of broader flexibility. And I think also one thing I didn't mention earlier, but plays into the solar, you know, the permitting for all of the transmission lines that are necessary, that need to be put in place if we're actually going to meet those green energy goals and put in all the solar as a conversion from ag production. There, there's really a standstill at this moment in time that without transmission, there's no ability to put in more solar.

Asm Wicks

We are going to do a whole hearing on that actually, next, so thank you for that. And I had—you have anything else? I have one question. If you're—no you go ahead.

Asm Papan

I want to talk a little bit about the fees and them going up...1800%, excuse me, so I think I might have covered this before, but is it that all those fees must be paid on the front end of an application, right?

[unidentified]

They are on the application, the one's I've experienced and you pay at application.

Asm Papan

So that money just sits there and you wait and you wait. [inaudible] I kind of feel like you might, it might be fair to charge as one goes along the process. Now, the second thing that I wanted to make a comment/question is, as it relates to capturing water, because a lot of what the Chairperson has...tried to accomplish here is, do we have enough water to afford to service the housing we might contemplate? And I, like yourself, I'm very pleased with the Governor's emergency order becoming an actual statute so that short of 10 years and a half a million dollars there is an ability to divert in the good times, if you will, and so that we have enough water, perhaps, to either recharge groundwater or there's water on stock, should we have [inaudible]? So that's more of a comment than a question, but I guess I'm wondering, have you seen a big increase in people's ability to meet their groundwater recharge requirements

because of the emergency order to divert, with greater ease, if you will, when we have these atmospheric rivers and all that good stuff.

Sarah Woolf

2023 was really our first opportunity, and I will say, because we have not been granted any of those permits, that we were going after a lot of the money that should have been spent to install the infrastructure to get those up and going were either not in place or not even accessible, because there just was such a big need, and they're just weren't the pumps and the facilities available to bring that all to bear. So we could be doing a lot more, a lot more than what we did in 2023. But it takes that prep, because it, like I said, it's a motor that you have to have sitting there. It's a fish screen. It's a piping infrastructure. You know, in some cases we're connecting various non-like entities together so that when those flood events happen, we can push it out further into the landscape than just those adjacent and we need to do that ahead of time. And so...I don't think that we are close to meeting our goals at this point in time, I think was your original question. With respect to sigma, we did a lot in 2023 but it's nowhere near what needs to be done. It is surmountable, almost. And I think Ellen would even agree, the amount of flood flows available, in all likelihood, will not fix our problem. We will still have half a million acres of farm ground or more going out of production, and it already is. I mean, there just are not solutions in place for many of these, these lands, and so there is a lot of land already out of production on a permanent basis that will not be farmed. So, you know, those are major economic impacts to the communities, to the counties, to the state. And, you know, I think we are behind on supporting the legislation for the Groundwater Management Act. We, you know, we passed it, but we didn't have the implementation support from agencies to put all the things in place. I mean, I don't believe that we could have but there needs to be a lot faster movement towards supporting those activities than there has been today.

Asm Papan

One more, if I may, on the forests, Matt. I'll get to you for a second. You mentioned something that really caught my attention, and that was perhaps state incentives to get the Feds to act. I'll elaborate just a little of what might be in our wheelhouse. In other words, don't invest until you get that commitment from the feds, because I have gone and seen, you know, the thinning of forests and how that really creates much a healthier forest, and I appreciate that education. But the Feds aren't particularly great actors. So what can the state do? What is this incentive thing that you described?

Matt Dias

I have a lot of friends who work in the in the federal system. They're good people that are in a...tough spot, if you will. And California has invested in projects the Sierra Nevada Conservancy, through CAL FIRE, developing partnerships to try to support the Forest Service, to get moving forward on projects that are connective in nature, or necessary...as it relates to resiliency, so on and so forth. I think that there's a real capacity issue within the Forest Service. And right now there's not good opportunities for relationships between private entities and the Forest Service. It's always a government to government type of relationship, in many instances,

that now lends itself to having like building the triangle and having a private partner in there helping, and I think that we could break that model to a certain extent and be more efficient. The Forest Service does have new authorities that have been granted to them, and I believe that the Forest Service could rely upon those authorities brightly, but they have an issue with recognizing at times that those authorities exist, right? And so it's a very large organization. In California alone, there's 18 national forests across the nation. There's hundreds of them. And so to have that that message resonate across the entire nation, or even throughout California, it's tough, but if we don't have legislative support for those types of initiatives from leaders like yourselves, along with like myself, if you will, and others up and I'm tooting my own horn, but building a coalition with that kind of messaging, we're not going to change the culture. So I do believe that there's an opportunity to think about, how do we reach out to the federal partners...and let them know California wants to advance, but we need to see outcomes. And what does that mean? I think that that means relying upon your emergency authorities and building new partnerships with better outcomes. And that's kind of where I, at the broad level that's the way I think about it.

Asm Wicks

Thank you. I had one last question as we wrap up this panel too. For Ms. Hanak, you said in your testimony that you've been doing this for 20 years, and permitting, permitting issues and permitting challenges is constantly, consistently coming up. Can you give maybe some of the most egregious examples of because of permitting, there's been inaction on something, and maybe what the cost of that inaction has been.

Ellen Hanak

You gonna put me on the spot.

Asm Wicks

I put you on the spot.

Ellen Hanak

Pick the winner.

Asm Wicks

Or even some examples of like how, how that manifests itself and our inability to actually solve them.

Ellen Hanak

You know, I think I'll give an example, just from...the restoration world, which is kind of—doing restoration is key to having our water supply also be healthy, right? We've got to just do work in the...Delta watershed to be able to do that. And, you know, there are examples of cases where everybody agrees, pretty much, pretty much everybody that there's, you know, some land that should be restored, and you still can have 10, 15 plus years of just it not moving.

Asm Wicks

Treading water.

Ellen Hanak

Treading water. And so when you have that for something, that's where everybody agrees, you know, it makes it so much harder for stuff where you've got folks who, you know, infrastructure, great infrastructure. You know, it's not, not everybody agrees, even if we do need it. So, you know, I, yeah, I'm encouraged by some of the things, you know, what we heard on the on the first panel, I think you there have been some great some great progress in in recent years on trying to simplify and go more programmatic. But there are just ways in which we still have a lot to do, and I think we should do that, not just on restoration projects, but also something like the stream bed alteration agreements, if it's, if it's not a mega—mega projects, okay, they need bigger looks, right? But if it's not, if it's a lot of distributed groundwater recharge, let's find a way to simplify that. Great. Thank you.

Asm Wicks

Well. Thank you very much. To panel two, we're allowed to applaud. Okay? Our last panel will be on permitting reform needed to facilitate the reduction and removal of atmospheric carbon. If we could ask our panelists to keep their remarks concise, because we will have questions for you all after. And we'll let you all self-introduce and if you could go in order of the agenda, that would be great.

A thumbs up.

Is the, I don't know if the mic's on. Can you?

There we go.

Caspar Donnison

Okay, there we go.

Asm Wicks

Perfect.

Caspar Donnison

Thank you, Chair Wicks and committee members. My name is Caspar Donnison. I'm a scientist from Lawrence Livermore National Laboratory, and my area of expertise is in carbon dioxide removal and management, and I'm going to be playing the context for the need to withdraw carbon from the atmosphere and drawing on our reports getting to neutral which you all have on your desks. And if I can ask you just to join me, several pages in page one of the executive summary shows a lovely figure with some bar charts on it. And this will help us understand the scale of the need for carbon dioxide removal. So to achieve the 2045 carbon neutral target, we need aggressive emissions reductions in California. That involves things like electrifying

transport, renewable energy sources for electricity. But they will only get us so far, and the rest of the job needs to be done by CO₂ removal. And in the report, we estimate around 100 million tons of CO₂ removal is needed to achieve that target per year by 2045. And to put that into context, that's somewhere between a quarter and a third of California's greenhouse gas emissions today. So the scale is large, and the starting point—we're starting from pretty low base. The three pillars that we've put forward in a report of how to achieve that 100 million ton target—I'll give an overview of those three. The first one is around the strategies on natural and agricultural lands. And I won't give too much detail, because the previous panels have put forward some of these projects—ecosystem restoration, farm activities, for example, crop rotations, cover cropping, biochar applications, and also going out for forests, those forests at risk of fire, and doing some management treatments there. I'll just say on this pillar, these are measures we can take today. There isn't a significant amount of infrastructure needs to deliver them. They're relatively cheap. In the report, we estimate they average around \$11 per ton of carbon dioxide removed, and that's great, but they will only get us so towards that 100 million ton target. And so the second pillar, this has also been mentioned, this is biomass utilization. This is really the big enchilada in California, of CO₂ removal, and this is...gets a lot of focus in our research. These strategies involve collecting biomass resources from our vast forests, from agricultural activities, from cities. So it doesn't matter what district the committee members represent, there'll be biomass opportunities in your district. And in fact, if you join me two pages further, page four of the report gives a map of California, and you can see those bars there representing the biomass resource availability and the different origins that come from them. So what can we do with those resources? You've already heard that they're not being well used today, and in fact, their decay is also leading to greenhouse gas emissions. But if we use them well, we can get both useful energy sources and CO₂ withdrawal. That's a real, real good double win. The process that we can do that by—we can collect those and turn them into electricity, hydrogen, fuels. There's a range of options we can use to deliver that. The cost is greater than the...first pillar, the natural approaches between 30 to \$90 per ton of CO₂ removed, we're getting that useful energy resource. We can also get investment and jobs creation across California communities where that sector would scale up, and that will require much more infrastructure than the first pillar. We're looking at developing the supply chain. We estimate building between 50 and 100 biomass utilization facilities. You heard on the previous panel how it's challenging to get it permitted, and this is a large number of facilities that get built to reach that potential. These technologies are also relatively mature, so they can be used soon as well. The third pillar that we looked at to help achieve that 100 million ton target, this is the direct capture of CO₂ from the air. And I understand that the committee may already be familiar with a project in Tracy that does this technology. This approach is the least mature technology, also the most expensive. We estimate somewhere over \$200 per ton of CO₂ removed, but it could be an important backstop if the other two pillars don't get us to that 100 million ton target. And that's why it's worth exploring...the second and third pillars both require much more infrastructure, and they both require permitting for CO₂ storage, which has already been touched on so far. And I will try and limit...my remarks to some measures you could consider that could be helpful to spur that on. There are great opportunities in California, amongst the best in the Western United States, for the storage of CO₂ pumped in liquid form,

deep underground, permanently, safely. The technology has been proven and used elsewhere. And the challenge is getting these...permits through. There are several projects in California have been trying for some years to get a permit through. They haven't yet achieved that. And the big picture is we need 10s of these projects working to get that 2045, target. And these projects take years to deliver, so there is a degree of urgency getting these done...We've conducted separate research to the report that you have in front of you, specifically looking at the permitting for these projects. And some of the suggestions that could be looked at in there include giving greater clarity on the lead role of agency involved in the permit application process, including CEQA, so there's greater clarity on the roles and responsibilities and that focal point for that agency that is in charge. Great challenge is that carbon capture and storage projects are cross cutting, and they involve multiple different agencies, and you've got above ground and below ground responsibilities. A second thing you could consider is the clarifying the ownership of the underground storage with above ground land. That isn't always clear, and that could be clarified to give greater certainty to projects. There are several other measures we look at in our research. Another, another thing would be the legislature could...issue a statement that sent this giving the sense of urgency for these permits to be issued more quickly than to be reviewed more quickly. So those are a couple of things to consider there...With novel technologies, which these are, it's important to also consider the communities where they'll be implemented. They'll be very new to communities. Many people do not have much knowledge about carbon capture and storage, carbon dioxide removal, and there's a challenge there with bringing communities with you, getting acceptance, getting understanding, getting input from the communities where these projects are being built. There's a real potential that they could alleviate environmentally burdened communities, improving air quality, reducing wildfire risk, but there has to be a sensitivity to how the policy develops, to consider how there could also be some negative impacts. And that will obviously set back the rollout of the industry. A couple of comments on the financing, the particularly second and third pillars that I mentioned are particularly capital intensive to initiate, and that's obviously a big challenge for the developers who are looking to develop these projects. Also, the markets aren't clearly defined. We have a clear cap and trade system in California for emissions reductions. We don't have a clear market for carbon dioxide removal. There's a voluntary carbon market, but there isn't a compliant one. And that's a challenge, because developers need to know where the demand is going to come from, and they have to have sufficient certainty of price for them to be able to make those investments into the projects which I mentioned are capital intensive. So that's a quick overview on the finance. And finally, just to emphasize this timeline point, these projects take years. These are technologies which we still have some amount to learn from the...implementation these early stage projects. So really, two decades until 2045 we really have a race on our hands to deliver this industry to this scale of 100 million tons, alongside, as I said, the aggressive reductions in greenhouse gas emissions. And to wrap up, the prize is not just meeting the 2045 target. It's also the opportunity to increase investment and jobs in California communities, and also to have a cleaner air and healthier ecosystems to live in. So I'll leave my remarks there

Asm Wicks

Thank you very much.

Julia Levin

Thank you and good afternoon. Julia Levin with the Bioenergy Association of California. We have about 100 members in California, including many local governments, tribal members, nonprofits, Lawrence Berkeley National Lab, University of California, and many private companies that are converting organic waste to energy to meet the state's climate goals to reduce wildfire, to reduce pollution from berries and to create a circular economy in California, where nothing gets landfilled or piled and burned as a disposal mechanism and instead is reused. I want to thank Caspar for going first, because he covered one of the most important reasons to do bioenergy, which is it's the only form of energy that can be carbon negative, which is going to be critical to reach carbon neutrality. But I would say an even more urgent reason for bioenergy is it is also the most effective tool we have to reduce short lived climate pollutants. And as important as it is to get to carbon neutrality by midcentury, we will have lost the war against climate change by then. We have to do much more, and climate scientists around the globe agree that the most urgent thing we can do, the only thing left at this point that will stop totally catastrophic climate change, is the reduction of short lived climate pollutants, because they don't stay in the atmosphere very long, but while they're there, they're 10s to 1000s of times more damaging than carbon dioxide emitted from fossil fuel. So on top of writing carbon negative emissions, bioenergy from organic waste can also reduce short lived climate pollutants. 86% of California's methane emissions, according to the Air Board, come from organic waste, and more than 90% of our black carbon is from burning—either wildfires or pile and burn of agricultural and forest waste. So it is hard to overstate how critical this is from a climate standpoint. It's also really important from an air quality standpoint, because we reduce the pollution from burning or land filling, and we can provide firm renewable power that we need for energy reliability, sustainable aviation fuel, hydrogen for hard to electrify sectors like cement, glass, and other manufacturing, etc. So given all these benefits, you think we were going really, really fast, and I think most of you know we're not. Permitting is a huge barrier. And I do have specific recommendations I'll come back to, but I would not be doing my job if I didn't say there are a couple of other huge barriers and Chair Petrie-Norris, I think you've heard this before, but we have to crack the interconnection net. It is a huge barrier for all clean energy. It is really impeding our efforts to reduce our climate emissions, to reduce fossil fuel use, et cetera. Either the utilities have to be put on much tighter...timelines with real consequences. And I think this is sort of similar to the permitting challenge. We need hard timelines, and there need to be consequences for failing to meet them, or we need an interconnection agency and just take it away from the utilities. Because it is not working for any of the renewables at this point. Another problem...is that the public utilities commission doesn't place any value on all the other things that bioenergy can do, even wildfire mitigation. The former president of the PUC said, wildfire is not a rate payer issue. Don't come to us with these expensive forced biomass—I'm not kidding. Michael Baker said that publicly. So we need state agencies also to step up and recognize climate change is a different beast, and we're going to have to move faster. We're going to have to accept some level of risk. You hopefully have a law journal article by Michael Girard, who is one of the gods

of environmental law, about we are in triage mode now, and that means accepting some risk. It means we're not going to be able to save everything, but we have to do the big things. There was a recommendation on the first panel about prioritizing climate adaptation or climate resilience. I would add to that climate mitigation. We can't adapt our way out of climate change. We also have to stop it or slow it down, and very quickly we need to reverse it. And I do think, getting to the permitting part, I have a couple of specific recommendations, and one does follow that recommendation from the first panel. We need some sort of permitting hierarchy. And again, I know Chair Petrie-Norris, probably others of you know, in the energy world, there's a loading order. You do efficiency first, then renewables and only fossil fuels to the extent that you have to. We're going to need a prioritization of permitting as well. Not all permits are equally urgent. And I think anything that is essential for public health and safety and anything that is essential for climate mitigation, meaning reducing climate emissions or climate adaptation, those just have to be a higher priority. We have to figure out how to move more quickly. There's a lot of talk about permit streamlining. And thank you. I think all of you voted for Senator Caballero's bill, SB 1420, that did allow CEQA streamlining for hydrogen and non-combustion bio energy. That's helpful, but what's even more helpful is permit consolidation. I think a number of the previous panelists have talked about the need to have permits done concurrently, rather than consecutively, and one of you asked for a horror story. I will give you one. Across the bay, there's a project, actually in the Chair's district, to convert organic waste that, by law, has to be diverted from the landfill into renewable carbon negative hydrogen. It'll be used in zero emission trucks in place of diesel, and the process energy will be landfill gas that's currently being flared with no energy capture and no pollution control. It's a fantastic project. The county's Health Risk Assessment said it's a win-win-win for the climate and public health, but the regional air district would not start its air permit until the CEQA permit was done, which cost a year. It's now been a year and a half since the CEQA permit was unanimously approved by the City of Richmond. There is no opposition, and it could easily be another year. There are frequently multiple month delays without any communication from the Air District. I mean, this is happening across a lot of different projects. And air districts are a funny creature of both state and federal law, but I think they do need more resources. It's not entirely their fault, but they also need a sense of urgency and prioritization, which we are not seeing. These projects have to happen a lot more quickly, and to think that a project that would be this beneficial in a disadvantaged community where labor supports it, the local community desperately wants it, and it will take three years or more for the permitting. It's just inexcusable in this day and age. So solutions, state law already authorizes a consolidated permit. It is in Public Resources Code. We want to get the number right, 71020. So the authority is already there, but almost no one knows about it, and almost no one uses it. The beauty of consolidated permit, it addresses a number of the challenges raised today. It means permits happen simultaneously, instead of one after the other. It also avoids—what happens frequently is not just conflicting permitting requirements, but what will happen in the Richmond project is when the air district is done, the project will have changed so much that they will likely have to go back and redo the CEQA permit. This is ridiculous, and the way to solve it is to have a consolidated permit with one lead agency, and everyone has to work on the same timeline, and they have to coordinate amongst themselves. It is sort of a mandated version of

what in the C level panel, BRRIT, I think, was the acronym they were using—this sort of forces that to happen every time. And maybe we start with climate adaptation and mitigation projects all have to use a consolidated permit. That would be enormously helpful. A couple of the other suggestions that came up on earlier panels, I just wanted to underscore we do need to get permitting agencies more resources, and they do also need to be held to stricter timelines, and there need to be consequences of not meeting those timelines. I am, however, really worried about the you only get two bites at the apple, because, at least in our area, some of these technologies are relatively new, or at least the application of organic waste hydrogen, say, in fairness to the Bay Area Air District, it's the first project of that kind that it's seen. So sometimes there does have to be more back and forth. What I would say is, rather than having a hard and fast number of how many times the air district can ask for information, and then it has to be up or down. That might not work out so well. I would say limit to 12 months, the total amount of time that it can be on an agency's desk. If the applicant causes more delays than that, that's their problem. But there's no excuse for the agency to have information set on the agency's desk for a total of more than 12 months. So if after three months they have questions, fine. Applicant should answer them as quickly as possible, then they get another, however many months. But at the end of the day, there has to be a time limit. That is really, really critical. And then just two other quick things I want to say in response to the previous panel, combustion technology is mature and it is the least expensive, but there are lots of other mature technologies. The Lawrence Livermore National Lab really highlights converting organic waste to hydrogen. We already have hundreds of wastewater treatment facilities and dairies using anaerobic digestion, and it is better to use non conversion technologies. Even though they are more expensive, they're also a lot more efficient, less polluting, and they produce a gas that then can be used in a linear generator—thank you, Assembly member Papan for AB 1921, so that you can have...non combustion the whole way. But we also need that gas for dispatchable power and energy storage. So there are a lot of reasons why we should be moving to non-combustion conversion technologies, although they are still cheaper. Anyway, thank you. Probably going over, I'll leave you there.

Asm Wicks

We're going down. We're going down the, yes, got it. Okay. You guys are so organized. I love it.

Christian Theuer

Musical chairs here, guys, I know it's 4:15 after a long day and a longer legislative session. Really appreciate you taking the time for this serious exploration of the urban reform process. And thank you, Chair Wicks, for...your commitment on this issue in terms of building things in California and doing it so in a way that preserves the environment and the state's residents. We share that ethos completely in scaling up a solution that Caspar outlined, we know we're going to need. My name's Christian Theuer. I'm with Heirloom Carbon. We're a carbon removal company. California founded. Our headquarters is 20 minutes south of here in Brisbane. We have a facility an hour east of here in Tracy, and we're excited to continue building in California. What we do is permanently and durably remove existing carbon dioxide from the

atmosphere. Why are we doing that? The UN's chief climate science body, as Caspar has already laid out, I won't go too detailed here, the IPCC has found that we need to do two things in order to meet our global climate goals. One is immediately reduce our dependence on carbon emissions and oil and gas. And two, in addition to that, we need to start removing billions of tons of existing carbon dioxide from the atmosphere, and one cannot wait for the other. Here in California, your votes help set a 2045 net zero target. The governor signed it to add one more data point to what Casper was outlining. ARB has scoped out at least 75 million tons of carbon removal needed annually to meet that goal. That is what we do. We're not point source carbon capture, where we're stopping emissions from a polluting point source from entering the atmosphere, we're removing CO₂ that's already present in the atmosphere that would stay there for up to 1000 years, continuing to warm the planet, unless we start cleaning it up. How do we do that? Heirloom uses a natural input of limestone. It's 4% of the planet's crust. It can naturally bind to CO₂ in nature. That process in nature takes years. Our technology speeds it up to happen in just three days. We do that by using renewable energy to break down limestone, basically turn it into a sponge for atmospheric CO₂. It reforms. It draws down CO₂ from the atmosphere, and we loop limestone continuously through this process at scale, to pull down CO₂ that would otherwise continue trapping heat and exacerbating the climate crisis. We know there's already too much CO₂ in the atmosphere. You've seen the soil erosion today. You've heard about the impacts that are happening in this region and globally...we have the technology that can clean this up, and it's a matter of scaling that up facility. The facility in Tracy, it's the first commercial direct air capture facility in the country. We opened that last year. Some of you had the chance to see it in person. You're all welcome to come out there in Tracy and see this technology and see it's not science fiction, that it's really happening right now. The CO₂ that we're capturing is being mineralized and concrete that's going into Bay Area infrastructure. That CO₂ has gone from a gas in the atmosphere to a solid product that's not going to re-emit even if you demolish that infrastructure, that CO₂ stays embedded in the rubble, so you're creating a true permanent carbon removal as a result of that. In Tracy you'll see that we're a poster child for how California is poised to scale up this new industry powered by the prowess of US manufacturing. This is something the country used to be very good at, and we're going to need to be very good at again. We've been enabled by the federal funding from the IRA, from the infrastructure law, and by the leadership in this room, especially those who supported the \$56 billion package signed by Governor Newsom. Our technology has scaled from a Petri dish 27 months later to a full commercial facility. We're moving very quickly, and we feel we've built that facility exactly the way it should be, built with local union labor. We're powering it with 100% renewable energy. We stood up a model of community governance to provide oversight, including from environmental justice groups, into the facilities operations and multi-year community benefits fund. And it is decoupled from any use case for oil and gas. To review: pro labor, pro renewable, pro climate, pro community. That's how we're defining the high road of carbon removal from Heirloom's standpoint. But that said, we have faced challenges in building, challenges I know this committee understands very well, and the first facility is operating successfully here. But as you know, a lot of federal funding from the IRA and the bipartisan infrastructure law is flowing to red states, and we're following the pull of a

federal funding facility—opportunity to Northwest Louisiana to build a million ton removal facility. That's all to say, a lot of leadership has gone into getting us to this point. But our progress also, there's a there's a cautionary tale here, because all of this still is not enough to get us between now and net zero, where we need 9 billion tons, as we pointed out, Chairs Wicks of CO₂ removed annually in order to meet our temperature goals. And companies, including Heirloom and the others before you today, we're only moving a tiny, tiny fraction of that today. One way we get there is through demand. We've actively supported legislation here in California, where the state's uniquely positioned to lead, including SB 308, the state Senator Josh Becker. Chair Wicks, we thank you for your support there. The other is permitting reform. So let's, let's talk about that. One is the cost of clean energy as we look at the landscape and get excited about building more of this kind of technology in California. Our facility in Tracy is powered by wind and solar. We need planner clean energy to power carbon removal, because we remove all of the emissions associated with our process, including the energy. So we're highly incentivized to use no carbon energy wherever possible. It's not ideal for us that states like Texas that don't exactly share Heirloom's values have more abundant, cheaper clean energy than California. To build large scale projects doing carbon removal in the state, you're going to need large scale utility renewables on the grid. If you permit clean energy, if you build clean energy, if you connect projects to clean energy, you are going to help build carbon removal, to sum that up. Next is on permitting, more generally. We were able to build our facility in Tracy in just eight months. One of the reasons why is we were building on a site that had already done an environmental impact report. We were able to avoid any additional CEQA review. Even then, we still faced additional permitting challenges, as Assembly Member Grayson pointed out, add ons. Again—not again—these, these delays could have killed the project and the company. We're a startup, a climate startup, but we're building infrastructure, and these sort of delays can be absolutely devastating, and these fits and starts from the permitting side shouldn't be determined, shouldn't determine whether or not we get zero. And two, that set of happy circumstances in Tracy, we also had some support, very much appreciated, from Go Biz to overcome those permitting challenges at the local level. But that doesn't create the kind of certainty that moves hundreds of millions of dollars behind larger carbon dioxide removal projects. Just like several members of this committee, to be more specific, supported an infrastructure package in 2023 that streamlined solar and offshore energy projects, would urge this committee to also consider direct air capture and carbon removal as a climate critical technology... streamline the secret process accordingly, so that these bureaucratic blockers prevent projects companies that are trying to stand them up from not moving forward. More specifically tied to permitting is permitting tied to funding. The California Energy Commission has funding allocated to support carbon dioxide removal. We're fortunate and lucky to be a recipient of some of that. We've been tentatively selected for some of that funding. Some of that is also gated by additional CEQA recommendations if we were to expand our footprint in the state. Our ask is that, and when the state doles out capital for a public good like carbon removal, for a climate investment like carbon removal, we streamline grants to be awarded...at the pre development stage that we can move ahead with land pre development costs and additional permits, then use the public capital appropriately for projects that don't face these artificial bottlenecks to getting these public dollars out the door

for projects that remove carbon emissions. Again, could just leave you with one thing, delays deadly for projects and climate start ups. So what I told you today is that even though we've built here, we face challenges in permitting that permitting reform can solve. To sum it up, we need clean energy, efficient, predictable permitting and ensuring that public dollars are able to move on a financeable timeline to get these projects actually stood up. I offer these remarks, not to sidestep the community process to be abundantly a clear Heirloom strongly supports these models of community governance that...we're putting into practice tied to our first facility. We can move at the speed of trust. We can do right by the climate. We can do right by communities. Heirloom is doing both. California can do both. If there's a state that can do this, it's definitely us. Thank you.

Asm Wicks

Thank you.

Josiah Hunt

Hello and thanks for hosting us here today and for spending your time to be here. So my name is Josiah Hunt. I'm the CEO of Pacific Biochar Benefit Corporation. Benefit Corporation, California Benefit Corporation, it's a legal tax thing that was found in Sonoma, which, oddly enough, Jared Huffman is largely responsible for making that designation. We don't get any benefits, any tax benefits, but we actually just burden ourselves with extra work so we can call ourselves a benefit corporation. Anyways, that was non sequitur, I just like talking in a microphone. Julia put so many great words and concepts out there. I would just like to bottle that up and just carry that around with me. And what I'm going to explain about my process is also very applicable to the next person here. We have a lot of parallels in what we do, and I'll let him explain the differences. So our company, Pacific biochar, we produce biochar. We've been doing this California since 2016. Biochar is interesting product. It is horrible name. The name describes a process, also a material, and that's a problem. That's hard. We haven't gotten over it, but that's just, I just want to put that out there. So if there's confusion, you're...okay with that, it's...you're not alone in that the material is charcoal. Essentially, the process is to take waste organic matter and transform it into charcoal and bury the charcoal in farmlands. That achieves a few key things. It achieves long-term soil fertility improvement. The charcoal is a stable form of organic matter that improves water use efficiency. It improves the nutrient use efficiency and crop yield. With the same amount of input, you get more output. It's really good, and it lasts for hundreds to thousands of years. So the impact of improving our farmland is a gift that we give in generations to come. When doing that, you're taking carbon that, you know, was transformed with a little bit of sunlight. Plants take carbon from the atmosphere, build their bodies with it. We take those plant bodies and transform it into charcoal, in an energy positive process. Basically, we're combusting it, but only part way, right? So you still get energy out of the process, just not as much as if you burnt it all the way to half. But then you get this charcoal product. Go bury it in the soil, and that whole thing, in a nutshell, is not only a waste management, energy generation, and a farmland improvement, but in a nutshell, it's a climate change mitigation tool. That's the whole thing. That's why we had to come up with a new word. The word is biochar. It's kind of horror word. But that's it.

That's why we had to come up with this new word on the spot. And so that's what my company does. It wasn't until 2020 that we could get a carbon removal credit for what we are doing, and that has profoundly changed our trajectory. We are a very small company still, but we were pathetically small then, and we have grown significantly since. To put some perspective on that, in 2023 Pacific biochar delivered the largest supply of carbon removal credits for any company on the planet—I'm sorry for a very specific type durable carbon removal, not the nature based carbon removal of forestry, which is very valuable in the specific durable carbon removal, that which lasts significantly greater than 100 years with no risk of reversal. In a world of durable carbon removal, we delivered the largest supply on planet earth of any single company, of any single technology type. And that was right here in California. And we were following these guys who did that in 2021 I believe, who held that title in 2021. So California is a hard place to permit, but [inaudible] on the map,.. And why my company is here is because of this wonderful phenomenon where you have, well, it's not really wonderful, it's a project, but as an opportunity, it is wonderful. There's this tragic catastrophic level of forest health right now, which generates massive amounts of excess biomass. Well, that's a problem, but it's also an opportunity, because we can help take that biomass, transform it into charcoal, and then, like the Yuba watershed, it's a perfect example. You can take the biomass from the headlands, turn it into charcoal and spread it in the farmlands and the alluvial plains below, helping with water conservation and with forest health up in the...headlands, and with water conservation in the farmlands and sequester carbon while doing that in an energy positive way. Pretty cool. I'm really fascinated with it. Anyways, what makes business hard for us is what you guys are about. So what permit reforms? What can we do? Julia touched on some really great stuff. I would highlight everything she said, the interconnection delays. Yes, really, really, really, big problem. In addition to what she was saying, there is conditional use permits, and particularly this—sorry, I forgot to mention this part—our method of production is that we modify existing facilities. We don't build brand new ones. We found that we can actually work with existing biomass power plants and modify them for biochar production. Was a key part I should have said earlier. We modify existing infrastructure to produce this biochar, and that's really important for next part I'm gonna explain. The testing process change. If any one of these biomass power plants wants to change a process to improve their emissions, to improve the efficiency of their facility, they have to go through a testing process change, which can take 18 months. They have to go to their local air district, and then it's just this huge bang [inaudible] process and Julia with the CPA, can really help you guys address that more. I'm only saying this with not as much eloquence as she can, but that's a really big problem. Yeah, no, that's...a really big problem. And, and we have a lot of projects where we can take these biomass infrastructure, and slightly modify their...operating parameters in a way that does not reduce their energy output and it does not increase their emissions in any way. What it does is it increases their ability to handle the excess fuel load that we have and generate this carbon negative product which can improve our farmland, and it takes almost no capex. It's really, really easy, and we can do this. We've got large companies willing to pay for the carbon credit renewables that we can, that we can get, and one of the big stops is being able to permit with these facilities. And the facilities are really scared to do anything different than what we're doing right now, because they have to go through this testing process change. Even if they're trying to do something good, and

even if it's only as small as less than 24 hours, if they want to do a six hour process change where they just intentionally try to do something to improve their emissions, they have to go through a very lengthy, cumbersome process that's hard to make it out the other side of. So that's a specific one, testing process change and the requirement with the Air District. Another one is with the extension of the BioMAT program. The BioMAT program is a fantastic program, but it's heavily undersubscribed. Why is it so undersubscribed? I don't know all the details, but I think it could be extended. It's supposed to come to an end next year, and it's heavily undersubscribed. And I think we should open that up and say, hey, if this was so hard to get in, within this timeline and within the thresholds that we've asked you to fit in, maybe we need to review whether the program was actually pragmatic and easy to achieve. One example of how it could be changed is that it costs roughly 35 million, and this is estimates, but it costs roughly 35 million to develop a five megawatt power plant. And that's the cap after the BioMat is five megawatt. It costs roughly 35 million. It costs about 45 million to build a 15 megawatt powerplant. So that's that's kind of one of the problems is it forces you into this highly inefficient cost-to-energy ratio. That would be one suggestion. But I would just say, hey, reach out to Julia and others in the industry to figure out, how could the BioMAT Program work better, extend it so that you can give it some time and improve it. That would be a really, really useful one. With a biomass—or with a biochar utilization, it sounds great, right? We can put this biochar in our soils, improve our soil organic matter for generations to come. Fantastic. There are actually support programs within California and within the federal to help this. But they don't work. They don't work fast enough, and they don't work efficiently, and they don't work for most people. Specifically those programs are the California Department of Food and Agriculture Healthy Soils Program. Biochar has been adopted...as a demonstration—it's acceptable for demonstration grants, but not yet acceptable for incentive program, so they can't release funding to help farmers pay for biochar applications. And the demonstration program is so restrictive, only one or two grants have ever been awarded for biochar with that. So if the USDA, NRCS, I'm sorry if the California Department of Food and Agriculture Health Soils Program is to accept biochar as a new management practice, that would be a really big deal, a new management practice acceptable for in for the incentive program. I worked with UC Davis and submitted a proposal back in 2020 and there was additional proposals submitted just this last quarter, so they have a lot of information. And as a parallel to why I think this is reasonable that it should be accepted is that it's already been adopted at the federal level. So at the federal level, the National Resource Conservation Service has accepted a conservation practice standard...for biochar applications to farmland. It's under the Soil Carbon Amendment code 336. And that allows federal money through the EQIP, through the Farm Bill, through the EQIP funding, to be used for compost and biochar applications. This is a really big deal because California has passed 1383 for waste management, and we have way more compost than we can manage. Compost yards are having a really, really hard time, and you have a program, two programs that can help with this, the Healthy Soils Program and the Corporate Department For Non Culture, I'm sorry, the NRCS 36. Those are parallel programs. And Karen Ross, Secretary of Ag, actually signed last year, I believe, a year before, maybe member of an understanding. They're going to try and work in parallel and streamline so those two parallel programs can be highly efficient. She could probably use some help, more support and to the

numbers on this, the healthy soils program is paid for out of the Cap and Trade program, which brings in about \$4 billion per year. The amount of money that is spent on the Healthy Soils Program is less than 100 million. So one out of every \$40,000 in that carbon trade goes to Healthy Soils Program. And being as how soils are how we feed ourselves, a great place to put carbon and a great way to help with water infiltration and water preservation, it seems like that could be a legislative lift to really help achieve good things with biochar and compost. The last thing on the list, or I guess it's kind of a two part thing that California Air Resource Board could immediately begin their review process to adopt a methodology for biochar to be a carbon removal process. Climate Action Reserve, which is kind of collaborative agency, but separate. Climate Action Reserve, just this year, published a brand new protocol for biochar, a methodology for carbon accounting for biochar. It's the US and Canada biochar protocol, and I think it would be great if California Resource Board could immediately begin review of that because SB 308. I don't know why it didn't pass. I know it's probably not perfect. It's really interesting. I think I would like to learn why didn't it pass. What could we do to make it better? But if and when it does pass, what methodologies do we have for carbon removal? Biochar make a lot of sense in California. What...Heirloom was working on, makes a lot of sense. But what methodologies will California Air Resource Board accept so that the carbon removal technologies can actually engage in that Carbon Removal Market Development Act? So sorry, that was a laundry list, and I probably went over time.

Asm Wicks

Great. Thank you very much.

Harris Cohn

All right, I guess I'm the last thing standing between us and getting done. Well, Harris Cohn, I'm the head of sales at Charm Industrial. We're headquartered here in San Francisco, about a couple miles in the southeast corner of the city. We also have operations in Colorado and Kansas. You all have a handout in front of you, but I took the liberty of bringing along also some pictures as well from a recent deployment. So if you don't mind passing those down to the legislators, that would be lovely. So if you have just three takeaways for what I'm about to say, here they are. Charm can play a key role in supporting wildfire, fuel load reduction, safely closing orphaned oil wells, and supporting California scoping plan by Reuben carbon from the atmosphere. Put some finer numbers on it, and as Caspar pointed out, we have this 100 million ton gap by 2045. There are about 29 million tons per year of wild, of excess forestry residues created every year in California and via Charms Process we can safely and permanently sequester about one metric ton of carbon dioxide equivalent per ton of biomass that is inedible and excess. That would be up to 30% of the problem, if you will, or 30% to the goal of the carbon removals in California. Now on the permitting side, it's, of course, critical that California continue to create a permitting environment where innovative companies can scale responsibly. And I really am honored to be...at this hearing with some of the leading lights in that in that vein. The two places that we have some permitting suggestions are in air quality as well as orphaned oil wealth, and I'll get to them in a moment. So the way that we work is we perform carbon removal, and we're also trying to decarbonize heavy industries. So our carbon

removal process involves harvesting waste biomass, like ag and forestry residues, and converting them into a carbon rich bio oil—you see some pictures there—through a method called fast pyrolysis. Bio oil can be permanently sequestered deep underground, or it can actually be gasified and used to reduce iron ore into metallic iron. Turns out, iron is about 6% of global emission, and it's a manufacturing process that we have largely abandoned here in the United States. And so...our bio oil can be used as an alternative to fossil fuels in this respect. Farm currently sells carbon dioxide removals on the voluntary market. That's how we get the revenue to operate. And our customers include...large corporations like Google, Meta, JPMorgan, Chase and others. Now there are a number of social and environmental co benefits alongside our carbon removals. We estimate that we can create about \$430 million in gross state product, and over 4000 jobs in California alone by 2040 as our scale up increases. Our approach delivers really critically needed air quality, wildfire resilience and economic benefits in parts of California that need them the most, especially the Sierras and the Central Valley. I'll note that the Central Valley and...especially the San Joaquin Valley, has burn restrictions going in place, Jan one of 2025 related to agricultural residues that ratchet up over the coming years. Investing in CDR technologies can stimulate economic growth by catalyzing innovation, green jobs and, of course, attracting investment. Now, some of the pictures that you have there are from a recent deployment and partnership that we did with the National Forest Foundation and the US Forest Service to process un-merchantable waste biomass into bio oil. We only did about 60 tons of this material as a way to demonstrate the utility of a mobile pyrolysis deployment to this area. Why is mobile important? It's very expensive to move biomass more than a few dozen miles to where it needs to be utilized. So we are pursuing a mobile-first strategy where we can take these fast pyrolyzer machines to as close to the biomass as possible to reduce that economic burden of moving the biomass and turn it into a bio oil. This densifies the carbon...from that starting biomass by about 5x. So it tremendously improves the economic potential of treating more and more forestry acreage with this solution. Additionally, one of the alternative uses, if biomass can't make it to a bioenergy plant or can't be used in timber, the biomass is usually pile burned or left throughout. And this obviously increases the burden of California's natural lands on our carbon emissions, but also it really has dramatic health hazards for local communities. So our ability to convert that biomass into a bio oil dramatically reduces those smoke hazards, and also, in some cases, can improve air quality depending on where it's located. Now I'll flip over to the oil wells part of this. So right now, we are currently sequestering the bio oil in in Kansas, because that's where we've been able to start our operations in a fast manner. Now, California has more than 5300 orphaned oil wells that I believe are the state's responsibility. ProPublica published something that estimated it costs almost \$200,000 per well to safely close. So this is almost a billion dollar cost that could be borne by California taxpayers. And I think they estimated the required cost to close the potential wells that are soon to be fully orphaned is up to about \$20 billion. So when Charm uses its bio oil to sequester carbon and deliver our removals on behalf of customers, in the process, we can safely close those orphan oil wells and remove them from the public roles, if you will, in order to, you know, have a benefit to the community, while also removing carbon from the atmosphere. So the two permitting points: first and foremost, SB 905, has provisions directing CARB to develop an expedited and uniform permit application process for carbon

dioxide removal, and we think that the...expeditious implementation of this would be very, very helpful for us and other CDR companies trying to operate in the state. Some other things to keep an eye on is we anticipate the need for robust air quality permitting when we begin operating a broader fleet of mobile pyrolyzers. So a streamlined process with more consistency across the permitting agencies and air districts will be super important. And lastly, Charm obviously can repurpose these orphaned or idle wells for bio oil sequestration and then safely plug and abandon them, as I mentioned. And a streamlined process for transferring ownership and operation of these assets from state responsibility to the private sector would greatly increase our chance to deliver for these communities where these wells are currently existing. So with that, I'll end. Thank you.

Asm Wicks

I'm going to take the liberty of asking the first question, just to follow up on what you said. So have you started to put the liquid in the, I guess, abandoned oil wells or no longer functioning oils? Has that process started? Or you guys are exploring that?

Harris Cohn

Yeah, we have not started that process in California.

Asm Wicks

Yeah.

Harris Cohn

We have done a variety of different testing to demonstrate it's safe, it's viable, and that it has the potential to be a really serious solution. So we haven't started yet in California, but lots of testing.

Asm Wicks

And have you started to attempt the permitting process on it yet or?

Harris Cohn

Not yet.

Asm Wicks

Not yet, okay. And are you currently...in other ways, putting the liquid down in the ground in California, or is it just too hard from a permitting perspective?

Harris Cohn

Yeah, we found that...so we are sequestering by oil in Kansas right now, and that location has a longer history with oil and gas, and therefore we found it more expeditious to begin operations there.

Asm Wicks

My colleagues. Mr. Ward.

Asm Ward

Thank you for the presentations. For Ms. Levin, from your presentation here, I was kind of curious about, you know, sort of going from initially, the bar chart representing one of the counties in Southern California, kind of seeing what are areas that what I could take back home, and what I could be, you know, promoting for our proportional work down there doesn't proportionally line up maybe with a table, because it seems like, you know, most of the potential opportunity here is still through forest, saw mill, you know, chaparral residue, if we're looking at the total reductions that we could be able to see. So I very much want to support those efforts, too. But on municipal solid waste, I mean, that's something that we're looking into as a...issue of water reclamation, and then you've got your residual and your leftover, and is there a market, or is there a potential, I guess, a market-based solution for this material that might be something creative, to be able to put it into a pipeline for any of the technologies that are out there right now, for sequestration?

Julia Levin

That's a really, really important question. So just to put it in perspective, and I don't know if my slides...if you received a print out of them, but there's a chart, and it uses a lot of data from Lawrence Livermore National Labs report about how much organic waste is technically available in California. How much energy could that create? And if just the technically available organic waste in California that we generate each and every year...could create an amount of energy equivalent to 4 billion gallons of gasoline. So forest waste is the biggest chunk, but municipal waste, the organic waste that by law, has to be diverted from landfills, is a huge amount as well. And we know from NASA's Jet Propulsion Lab that landfills are also leaking an enormous amount of biogas. So there's, there's even greater potential than in the chart that I handed out because I haven't updated it with the NASA data. So to answer your question, there are several markets right now, the low carbon fuel standard, the BioMAT program that Josiah mentioned for small scale bioelectricity projects. There's a pipeline biomethane procurement program at the Public Utilities Commission. None of them, with the exception of the low carbon fuel standard, the other ones are not working very well, and we are afraid that the public utilities commission is going to fail to extend the BioMAT program, even though it's required by legislation that the California Legislature passed, and the legislation did not have an end date. So this this might be something Majority Leader Aguiar-Curry and several legislators sent a letter to the PUC earlier this year. We're going to recirculate that. We'd love to get more support to extend that program. I agree with Josiah. It needs some changes. And the Public Utilities Commission owned staff said it needs some changes to work better. But we still need it, because the thing with organic waste, it's everywhere. It's all different kinds, and we're going to need a whole lot of solutions. We all work together and support each other, because there is not going to be one size fits all, depending on where you are, what kind of waste, what you most need in that area. The pipeline biomethane procurement program isn't working at all for a variety of reasons. The low carbon fuel standard. The Air Board is pushing biomethane out of the transportation sector as it moves towards zero emission vehicles. The

Air Board recognized in a formal resolution that it needs to find new markets for renewable gas. But a year and a half has gone by, and it hasn't even begun that process.

Asm Ward

Let me turn that to maybe one of the companies, or all the companies here, because different solutions, very good innovation on ways to be able to sort of take material and be, you know, have a lot of cobenefits with the work that you do. You know, with a lot of the state incentives, a lot of public dollars going into some of the seed investments to get things up and running. Do you see this sometime in the near future, markets opening up opportunities for, you know, for private capital or investment to be able to come in and...amplify maybe some of the solutions that you're seeing?

Josiah Hunt

Yes, and there is, but volatility scares away capital, and so volatility and permit delays are a great way to scare away capital. So those are the things that need to be solved.

Asm Ward

On permitting...and back to the topic of this select committee, you know, for some of the, again, you know sort of initial facilities, and the work that you're doing right now, would you see, you know, a potential direction or an area of policy research being something that would be able to help expedite like facilities? In other words, if you are, well, take director directory cops, or that we see in crazy here, right? You've done it once, you've been able to show, sort of what it looks like here and all the remediation that needs to go on site. You know, can we replicate that permit, you know, a lot more faster, if you know, there was the ability for you to maybe scale that up tenfold or a hundredfold even, that we could just take that one permit and then apply it to other locations?

Christian Theuer

Yeah. So from a pure technology standpoint, if you walk into a facility, you'll see immediately...how copy pasteable will be—that's not a word—but easily replicable it is to just do this at a larger scale. Just towers of trays holding limestone right exposed to the atmosphere. You can scale it up, go higher, go a little bigger, and do many more, thousands.

Asm Ward

But you'll have to go back to square one.

Christian Theuer

But you would, that's right.

Asm Ward

Every single time, every single location that you'd want to be able to do a like facility.

Christian Theuer

That's right. The benefit, the reason we were able to build that Tracy facility so quickly is because the site we had selected already had done the environmental impact report, so we weren't delayed by additional CEQA review, and we were able to stand it up and execute and deliver this first of a kind facility. We're going to be more efficient at building larger facilities thanks to that experience. But I think that framework for the permitting challenges as we face them, aside from the local issues, I just want to frame that as well, because in addition, even though we skirted the additional CEQA requirements, we still had a lot of local permitting calendars that we had to work with Go Biz to overcome. We also had to get interconnected with PG&E, and they were instrumental in helping that happen on a reasonable timeline. So even though we had the expedited super requirement, which I think is essential for these kinds of climate technologies, the scale. I just want to name those additional dynamics as well as worthy of being addressed this

Asm Ward

[inaudible] Thank you.

Asm Ward

Yeah, I know you're not the only industry hearing about interconnection. Yeah, just wanna underscore, it is that important.

Asm Wicks

Any other questions? Ms. Petrie-Norris, of course, has a couple questions.

Asm Petrie-Norris

The chair can attest I'm a big fan of urban catheter. There's just so much exciting potential, as many of you said, not just for California to be the birthplace for the, you know, the big breakthroughs that are going to enable us to tackle the climate crisis and export those innovations. But also, you know, the next great frontier for us to create economic growth and prosperity for the state. So a number of us, actually, I think, went and saw Charm months ago. I don't think you guys were talking about oil wells then, though, were you? Is that new?

Harris Cohn

It's always been part of the...

Asm Petrie Norris

It's always, okay. So, but I do have a question about sequestration and the challenge with, I guess, that last bit of CCS here in California, I think it might be useful if we could get the quick update from your perspective on the state of play in California. Was it two years ago that we passed legislation to kind of take the first step to enable sequestration to happen here in the state, but we're really on hold right now, waiting for federal guidelines and regulations to get approved. Help us understand what's happening there. Is there any kind of break of that logjam in site and what needs to happen in order for us to continue to move forward?

Harris Cohn

Yeah. Well, this is a well-architected panel, because we will have slightly different answers for this, which will help you see the whole the whole field. So...the Environmental Protection Agency has this Underground Injection Control Program, right? And they're different classes of carbon sequestration. Well. Health. The class of well that we mostly work in is Class V, and for us, it involves converting a former oil well, or former oil well disposal well, into a well for bio oil sequestration. And that conversion process, we picked it pretty intentionally. First of all, we have a liquid and not a gas, that needs to be sequestered. And also, there are already hundreds of thousands of these wells already permitted in the United States, and there are roughly a million either orphaned or low producing oil wells that could be converted for this sequestration. So this is like a business choice we made. And we hope that that it has a totally different set of requirements to keep you know that those operations safe and robust and beneficial for the community. Then Class VI wells, which are mostly used for carbon capture and storage or direct air capture. So you know our choice to expand and...work on converting more wells to Class V. We are, we are kind of like building the capacity to start approaching that issue in California, but we haven't formally started that process. We do hope, though, that it delivers, it kind of maximizes the amount of community benefits we can deliver, because we're working on well boards that are already drilled in communities that might be in need of safely retiring.

Christian Theuer

Yeah. Harris touched on this. Right now, I mentioned we're mineralizing the CO₂ that we capture into concrete, so it goes from a gas in the atmosphere, solid part of concrete product. That's a durable store of CO two. It'll stay out of the atmosphere for centuries. There's simply not enough concrete in the world by 2050, and there's going to be a lot of concrete in the world by 2050, but not enough to account for the volumes of carbon dioxide that we're going to be needing to remove from the atmosphere. So they're using Class V wells. We're also permanent through the APA, as you mentioned, Class VI wells, which are suitable for CO₂ sequestration, mile, mile or more underneath the Earth's surface. These are saline reservoirs. We've got a capstone. Some of these are online in the United States now. States like Louisiana, where we have announced two new facilities, have actually secured primacy from the from the EPA to designate and permit these wells at the state level in line with the EPA standards, which is helping move that storage framework along in those states as they're looking to attract projects like this. There are a number of applications in California sitting with the EPA, again, that is at the federal level, and that's a timeline outside of this room.

Josiah Hunt

And then our storage doesn't have the same permit requirements since we're just storing it in the soil, since charcoal is a naturally existing phenomenon that already exists in our soils, doesn't have special permits. But we do have problems with labeling and standards. California's definition of biochar does not align with the federal definition of biochar. Both of them are still trying to figure out what that is, and that...does create friction in our ability to easily put the material into the ground, but we don't have to necessarily go through the whole

permitting thing. So again, with the alignment of the California Healthy Soils program, alignment with the Healthy Soils program and the NRCS code 336, part of that alignment would be alignment in the definition of biochar and the standards associated so that we can more fluidly get the material out to farmland efficiently.

Asm Petrie Norris

Thank you.

Asm Wicks

Sorry. Any more questions from my colleagues? Okay, well, thank you all so much for your presentation today. We really appreciate it. Okay, we will now pivot to public comments. I think we are setting up a mic. Mic is coming. Here it comes. Right here. We'll give folks in the audience, if they wish to share any comments, one minute or less for public comments they'd like to register on the record with the select committee. And I should also say, if you're interested in more in depth conversations, my office and our partners at the Bay Area Council are doing pretty in depth interviews, where we are happy to solicit input of people that agree or disagree, people of all parties and persuasions, who...have an opinion on permitting reform. We welcome those diverse points of view into that process. In addition this, there's other ample opportunities, but please, one minute or less for public comment. Take it away.

Erica Lovejoy

Hello, everyone. I'm Erica Lovejoy with Sustainable Conservation, a statewide nonprofit that works to solve some of the toughest challenges around our land, air, and water. We've been deeply involved in the space around working on efficient permitting for habitat restoration and nature-based solutions and related climate adaptation type practices. We work very closely with both federal and state agencies and restoration project proponents to develop efficient permitting tools. We've been involved in a number of tools you may have heard of. Programmatic permits with the US Fish and Wildlife Service, that service the State Water Resources patrol board and many others. The one thing I really want to let you know about today is the fact that we have just released a report accelerating restoration in the Sacramento Valley and beyond, and it talks about next steps for cutting green tape in Sacramento Valley, but really throughout California. The focus area with the Sacramento Valley, we initially, we interviewed more than 39 different organizations, more than 80 individuals. We...talked in depth about what's working well with the permitting process, and where do we need to continue to do more work to move the needle on efficient permitting? Now, a lot of the examples in this report could be applied to many of the things that you're talking about today, most certainly for the climate change adaptation, nature-based solutions, type projects. Provided the link to the report to your committee staff, perfect, and I'd be delighted to talk to you about it more anytime soon. That's my information, perfect.

Asm Wicks

Perfect, well, thank you for that. Thank you for the report. We'll definitely take a look at it and we'll follow up, so I appreciate that. Thank you.

Catherine Charles

Hi Chair and members. Catherine Charles here on behalf of the Housing Action Coalition. Want to start off by quickly thanking you guys for convening this. I know it was a big undertaking especially after a long session, so thank you for that. Just want to quickly highlight two items we want to reemphasize for the record. The first is the suggestion for getting agencies, including cities, districts and companies, to work together...more seamlessly, would be incredibly helpful. And the second, importantly, we do want to echo Ms. Levin's critique of utility agencies in that their inefficacy not only affects California reaching our climate goals, but also, of course, our housing goals. And we believe the suggestion of harder timelines for these agencies would be in the best interest of helping us get back on track in both spaces. Thank you.

Asm Wicks

Thank you very much.

Warner Chabot

Warner Chabot, Executive Director of San Francisco Estuary Institute. We're a 30-year-old, 85 staff organization that's a nonprofit Environmental Science Research Institute, and we serve as a consulting service to resource agencies and resource managers from the local to federal level on issues in San Francisco Bay. Your first panel, I congratulate you on taking this on. It's probably, unfortunately, a 10 year effort that...you're going to undertake, but I want to make a suggestion, maybe first step, your first hearing, your first panel, was a group of people dealing with sea level rise and representing the Bay Restoration Authority, which is an entity comprised the nine counties and representatives trying to deal with how to expedite wetlands restoration. I would suggest that that the restoration Authority staff are issuing a report to the restoration authority managers this Friday. Sometime in the next month, I would encourage your consultant to try to meet with or schedule a meeting with the Restoration Authority and their staff to say, how could you take the restoration authority as a case study and offer legislation that might improve the efficiency and effectiveness of an existing organization, multi-agency, represents nine counties and is specifically focused on making sea level rise program permitting more efficient. So if you did something in the 2025 legislative session that did nothing to focus on improving the effectiveness and efficiency of the one case study that's been around for seven years, specifically focused on multi-agency collaboration on sea level rise to make a great first step in what's going to be, unfortunately, a ten-year venture that may be the biggest challenge that we face in California, how to take five decades of piling up legislation and try to streamline. So just one specific suggestion.

Asm Wicks

Thank you very much. Appreciate it.

Megan Cleveland

Thank you Chair Wicks, members. I'm Megan Cleveland, with the Nature Conservancy. We are a global conservation organization, science-based organization, and we have over decades of experience working on habitat restoration projects and science in California. Just wanted to highlight ecosystem restoration...will play an incredible role in reaching our climate goals, our biodiversity goals, and our outdoor access goals, and efficient permitting is critical to moving those projects forward. As others have said, their administration and legislature has been leading some efforts, including the...cutting green tape initiative, but also highlighted more work is needed. So we have a number of comments, but just to keep things short, we just wanted to share two specific ones for this hearing. And first is we encourage the select committee to ensure that marine ecosystems, such as kelp forests, native oyster beds, and eel grass remain central to climate solutions, and that you work to put forward some solutions to improve permitting for those types of projects. Then we'd also encourage the committee to explore permitting approaches that focus on restoration of ecological functions to facilitate large scale restoration projects in both coastal and wetlands ecosystems. Thank you so much for holding this hearing. We really appreciate it, and we look forward to working with you.

Asm Wicks

Thank you very much.

Abraham Mendoza

Good afternoon, I guess, kind of approaching on the evening. Abraham Mendoza here with the Community Water Center, align my comments with our colleagues with PNC. But also, in addition to that as well, you know, going back to the first panel here, when we were talking about sea level rise, something that we've noticed...and want to flag for the committee is along the central coast, in areas where you have critically overdrafted groundwater basins, the threat of sea level rise and salt water intrusion is further compounded. And so in that area, we...personally worry a lot about the impacts that can come from legacy contaminants seeping back into groundwater aquifers. And so as we're talking about permitting reform, expediting these things, looking at sea level rise, we really want to make sure that we're having these conversations holistically. So we know this is a daunting task and want to thank the committee for their time. Additionally to that, as well as we're talking about permitting reform, it's very important to note that the state is still dealing with a backlog of dry wells. There's actually 25 wells in the last 30 days at the state level that have gone dry. And so when we're looking at things like flood water recharge and groundwater recharge and having these conversations, it's important to note that there is still additional work needs to be done to protect community members, in addition to expediting things like providing for the infrastructure that the communities depend on. And that's something we really want to make sure the committee pays attention to as we have...these conversations. Thank you so much.

Asm Wicks

Thank you very much.

MJ Kushner

Hi, sorry. MJ Kushner, also with Community Water Center. So first, want to thank the members and the panelists for their discussion and their work on balancing equity and efficiency in the permitting process. Really important. Also, just to touch back on what was discussed in the second panel, groundwater recharge is a really important priority in California's water storage plan going forward. And of course, farmers have been encouraged to apply for these permits to divert seasonal flood waters to do recharge on their land. And one such example was in Mariposa Creek in Merced County, where a five-year temporary recharge permit was granted. And this was the first of these expedited recharge frameworks to be granted so far. And of course, this quick action is very valuable, but also carries the negative side effect of sometimes being the product of diminished environmental review. So in the case of Mariposa Creek, most of the land in the area that is being used for recharge is [inaudible] land and creates a significant and avoidable risk of nitrates leaching into the groundwater supply, which is used for domestic wells and affects drinking water. So as one of the organizations that provides direct aid and technical assistance for ground zero and the water crisis, we see that with every dry well, the need to recharge like just grows. But it's also really important not to be hasty with the permitting so that there aren't more expensive consequences in the long run. So we just call on the legislature to ensure that planning be done at a scale to identify where recharge projects can be located. It also accounts for the hydrological future and people safeties and just this new normal of weather whiplash.

Asm Wicks

Thank you. Appreciate that. Thank you.

Jonathan Pruitt

Thank you, Chair and member for allowing us to by comments. My name is Jonathan Pruitt with the California Environmental Justice Alliance. And while CEJA support a just transition from extractive fossil fuel based energy system, we must not continue to state long historic legacy of harm and abuse against EJ communities. Our communities deserve that critical infrastructure and the clean energy resources, and also deserve to be a voice in that process that will impact their health and the opportunities. Now permitting reform, in the past, we've seen it really prioritizes the speed over safety, and so we really want to make sure that is switched. We want to make sure it doesn't create unintended consequences that add new harm to already pretty overexposed frontline communities. Clean energy should truly clean energy, and bring critical emissions and health benefits to communities mostly post projects like carbon capture and hydrogen do not guarantee any of those things. Hydrogen projects, if not carefully assessed under CEQA, present multifaceted risks and cannot be overstated. Come from such things like compromised energy efficiency....reliance on gas-fired generation, exasperated health hazards within the native territories and marginalized communities intensified dependence on fossil fuel extraction. Lastly, biomass facilities are really contemplating the Central Valley communities that we serve, and they are more climate polluting at the smoke stack than they are at the coal [inaudible] so industries claim it will remove CO₂ from the atmosphere and be carbon negative and introduce some heat burning

fossil fuels and ramp up biomass burning, which is another industry delay tactic. Thank you so much for your time.

Asm Wicks

Thank you. Appreciate your comments. Thank you.

Grecia Orozco

Good evening. My name is Grecia Orozco. I'm with the Center on Race, Poverty and Environment and Environmental Justice Organization in the San Joaquin Valley. I'd like to address most of my comments for the third panel regarding the false solution technologies that have been discussed today. Technologies like carbon capture, sequestration, should not be expedited and must receive full environmental review and permitting. These are very new projects, and the majority of them are being proposed in the Central Valley near low income communities of color. The potential for leaks of carbon dioxide is not a distant speculation. We have seen it before in Satartia, Mississippi, where some of the people were hospitalized due to a lack of oversight, a lack of regulation. Additionally, these technologies are not close to removing so much carbon dioxide as they say that they are, as we see in many projects that we see in Iceland today. Additionally, bioenergy, as mentioned before, are majority concentrated in the Central Valley, are not renewable. They exacerbate pollution, increasing carbon dioxide, methane, and nox due to increased fertilizer uses. And these projects use tons of energy, tons of water, and that must be considered in the process. This committee has expressed so much interest in climate resilience, yet ideas posed here in this last panel really work to extend the life of fossil fuel industries, which are the ones that exacerbate the sea level rise and the climate change that we see today. Its imperative that these technologies do not receive guided review or streamlining, and additionally, it would be very nice for workshops and panels to have viewpoints. This has been an echochamber of just one viewpoint. Please consider our communities.

Asm Wicks

Thank you. I appreciate those comments. Thank you for sharing.

Asha Sharma

Hi. Thank you, Chair and members. My name is Asha Sharma. I'm with Leadership Council for Justice and Accountability. We're also based in the San Joaquin Valley in eastern Coachella Valley. We agree we need to build climate resilience, but we think pollutions cannot come at the expense of community health. Again, many issues discussed today disproportionately impact people living in inland California. Unfortunately, today's hearing was inaccessible to the residents that we work with. We think it's critical that their voices are centered and that they are able to participate in these discussions, at least virtually, and hearings on these topics. Reforms to environmental review processes that undercut their participation and agency are harmful to both community health and the environment. We urge the Chair and members to expand investments instead in affordable renewable energy, rather than dangerous, expensive technologies like bioenergy and biomass conversion associated with toxic air pollutants, which

our communities have experienced firsthand, or catch carbon capture and storage technologies that have been associated with asphyxiation risk for surrounding communities in the Gulf Coast states. Bioenergy and carbon capture technologies do not build climate resilience. In fact, they threaten and contaminate air and water quality, which are already anticipated to worsen due to the climate crisis. Additionally, preparing for drought is of utmost importance, but must be done in accordance with the Department of Conservation's working definition of meaningful benefit to disadvantaged communities, which ensures meaningful community engagement while maximizing benefits while avoiding harm. Thank you for the opportunity to comment.

Asm Wicks

Thank you. Our last commenter of the day.

Lauren Gallagher

Hello and thank you for the ability to comment today. My name is Lauren Gallagher. I'm here on behalf of Communities for Better Environment.

Asm Wicks

Or you can even maybe pull the mic out of the stand if you want. There we go.

Lauren Gallagher

We've organized an environmental justice communities Richmond, East Oakland, Wilmington, and southeast la communities have been historically harmed by the fossil fuel industry. We found it incredibly concerning today that their voices were not included in this conversation, and I echo CEJA LCD comments about the grave concerns that these communities face. [inaudible] I request in the future community involved in these conversations and that look more critically at who is here. [inaudible]

Asm Wicks

Appreciate that. Thank you. And I want to just acknowledge and appreciate the different points of view that were raised in public comment, and would strongly encourage and welcome everyone to participate in the interview process that we're conducting right now. I think your points of view are critical, and I just want to appreciate that and ask that you do. If you haven't already, you can talk to Steve here on my staff to get you guys plugged in so we're hearing your comments loud and clear. So appreciate that, thank you. With that, did my colleagues want to offer any closing comments?

Asm Petrie-Norris

Just very briefly, once again. Thank you, Assemblymember Wicks, for convening us today. I think that we all recognize the challenges that we face to connect the dots between you know what we talk about as our statewide priorities, whether it be housing, action on climate, action on climate resilience. We talk a big game, but we don't actually achieve those goals by talking about them. We achieve those goals by building projects and getting things done for our

communities. And so I think it's an urgent and important issue. One of the commenters said, I think we recognize this is but the first step on what perhaps is a very long journey. But grateful for this hearing and look forward to the hearings that are to come over the course of the fall. Thank you.

Asm Wicks

I'll just, I know we're ready to go. Everyone. Thanks for everyone who participated today, both in public comment as well as here on the panels, as well as those watching at home, appreciate your attendance and everyone who stuck it out here in the audience for the duration. And as mentioned, we're doing two more hearings in Southern California in November. We'll definitely make sure you all know that. And this is the beginning of a longer journey around figuring out the policy framework that we think we need to ensure that California maintains its commitment to reaching our climate change goals, supporting our working class families, ensuring we're doing so in a way that's equitable, both on housing, climate change, climate resiliency, et cetera. So I definitely don't have all the answers. None of us do, but with a lot of collaboration and conversation diverse points of view, I think we can get there. So appreciate everyone being here and we're adjourned.

Appendix D3

Transcript

Informational Hearing of the Assembly Select Committee on Permitting Reform
"Permitting Reform to Facilitate Infill Housing and Sustainable Transportation Investments"
Auditorium of the Ronald Reagan State Building
300 South Spring Street, Los Angeles, CA 90013
Wednesday, November 13, 2024

Chair Buffy Wicks

Good afternoon, everyone. My name is Buffy Wicks. I am an Assemblymember, and I am Chair of the Select Committee on Permitting Reform. Thank you for joining us today on our third hearing of this committee. Our first hearing was held in June in Sacramento, and it was really like a primer on the need for permitting reform to address our state's housing and climate goals. Our second hearing last month in San Francisco focused on permitting reform to facilitate climate resiliency. This hearing is focused on permitting reform to facilitate infill housing and sustainable transportation investments. We have a fourth hearing scheduled next Wednesday in Palm Desert focusing on clean energy.

For those of you that have followed my time in Sacramento, you know that the issue of housing is very near and dear to my heart. I find it absolutely unconscionable that we have nearly 200,000 folks experiencing homelessness in this beautiful state and the fifth largest economy of the world. I also find it absolutely ridiculous in our great state, almost all lower income renters struggle to pay the rent, and only the wealthiest households can buy a home. Housing is a fundamental human need, and yet we as government are failing to ensure that that need is met, and it really is on us to fix this problem. In a democracy, when the government fails to meet the people's needs, the people go into a different direction. So we want to make sure we're doing everything we can to meet the needs of our citizens. I think last week's election results showed us that... sent us a very clear message that those of us at every level in government need to take this seriously, and that failure to deliver quality of life for residents will not be tolerated.

Now, of course, government does not actually build much housing, but our rules and our regulations overwhelmingly influence when, where, and how much housing will be built. In those places that make it easy to build, there isn't housing crisis. If you look at a state like Texas, Georgia, Florida, they don't have the same housing crisis that we do here in California, and I'm really proud of the work that we've done in the legislature since I took office, and before I was in office. I think State Senator Scott Wiener and others, Nancy Skinner, many others before me, were really leading the charge looking at substantial reforms around zoning approval and building permits in addition to other things, ADUs. So we've had, certainly some wins, but we still have work to do, and really the results are still not there in the way that we

want to see them. In part because market conditions soared over the last couple years, but in large part because we spent decades placing impediments to housing production, and it's going to take a while to undo a lot of that. More than the individual impediments, we continue to have a mindset that it's okay to slow down projects, to jump through a myriad of hoops and to downright get to "no." And it's that mindset that I'm trying to transform through this select committee. How do we get to "yes" on building all the things that we need to build in the state of California to continue to be a modern economic state with a strong economic engine and a place that's inclusive and welcoming of all people.

Let's err on the side of too much housing, on affordable homeownership, and rents. Let's err on the side of ensuring housing for all of our homeless individuals and ensure that those at risk of displacement from their current homes have another opportunity awaiting them. And while we're at it, let's err on the side of having more transportation options for people, moving them quickly through our growing cities in ways that don't leave a carbon footprint, because if we aren't ready to move people around in cities, we're not really meeting their needs, even if we ensure that they have abundant housing.

So the transportation-housing link, I think, is very critical, which is why we paired these two topic matters together today. So I'm excited to hear from our transportation panelists today, to hear about their permitting reform needs to facilitate a shift in sustainable transportation, but before that, we'll hear from our housing panelists on permitting reform to facilitate infill housing, and we're going to lead it off by hearing from UCLA's own professor Michael Manville, who will provide an overview of housing affordability and permitting. Before we hand it over to Professor Manville, I'd like to open it up to my colleagues to make some opening remarks.

[Assemblymember Juan Carrillo](#)

Thank you, Madam Chair. Assemblymember Juan Carrillo, representing the 39th Assembly District, which is about 45 miles north from here, but a three-hour drive in getting from Palmdale to LA and even longer getting back home. Really excited to have these conversations. Thank you for committing this and looking forward to the conversation. Housing and transportation have to be interconnected. Public transit needs to be part of that housing production, because we need to mobilize our residents to where they want to work. Really excited to be here. Looking forward to the participation in this committee. Thank you, Madam Chair.

[Assemblymember David Alvarez](#)

Thank you to our Chair. Thank you all for participating today. Certainly looking forward to this conversation, which we began a few months ago when the committee first kicked off, and I think we spent a little bit of time at that committee talking about some of the challenges that we identified with, with housing as it comes to regulatory matters. I think, certainly no surprise to any of you who've followed some of this work that some of us have been doing, there's so much more that needs to be done, and I'm hopeful that out of today we identify some more

solutions and I think that's what this conversation is about, whether it's continuing to make changes to CEQA as it is today, looking at regulatory bodies such as Coastal Commission, which sometimes can get in the way of creating housing opportunities, or other regulatory bodies. I think we need to be identifying all those barriers to making sure that we actually deliver results to Californians which want to make sure that California is an affordable place to live. Today, it is not. We have these challenges. They are they are real, and I'm looking forward to today's conversation helping us evolve and make the right decisions again to prepare for the changes that we need to implement in California. Thank you, Madam Chair.

Chair Wicks

Thank you, Mr. Alvarez. With that, we will go to our first guest, Professor Manville from UCLA Luskin School Department, Chair of housing.

Michael Manville, UCLA Luskin School of Public Affairs

As a professor, I'm accustomed to bored silence, so I appreciate the opportunity to speak to you guys per the request that came to me. I'll try to just kind of sketch the contours of the crisis, how it relates to housing permitting reform, and offer some thoughts on how I think permitting reform at the state level has worked, and where maybe there's room for some improvement.

And so to just step back, I think, you know, the Los Angeles region and California in general... a useful way to think about our housing crises is that it's actually two distinct but overlapping problems. And the first problem is just—and it's not new—it's just that we have a lot of low-income people, often people who have come here from other places seeking opportunity, which is a good thing, but because of their low incomes, it's difficult for them to afford housing. That again, it isn't new. It was true in 1970, it was true in 1980, it was true 20 years ago, and it's true today. This is a real problem, but it is a problem primarily about low incomes. The second crisis is newer, and while it exacerbates the first problem, it has a different source. This is a problem that's arisen not because incomes are too low, but because the actual price of housing is too high, and that has occurred because we have not built enough housing going back decades. And this is the main source of the current housing crisis, and it is what is responsible for most of the hardship that we associate with it, this under-building of housing.

How much have we failed to build housing? I am not, for reasons I can explain later if people are interested, not a huge fan of these various methods for calculating an exact shortfall of housing. But let me illustrate the problem this way: in the 1950s during the immediate post war boom, California built 4 million housing units. From the early 1960s to the late 1980s, the size of the state's economy doubled and California added another 4 million housing units. In both of these booming times, most of the housing units were built where demand was high along California's coast. From 1997, after the recession of the early 1990s to 2017, the state's economy doubled in size again, but California added only 3 million housing units, and a much larger share of those were not along the coast where demand was high, but were instead in inland areas where it was a little bit easier to build. The trend since 2017 has been similar.

So put simply, for almost 30 years now, California—and especially its urban coast—have been in the midst of an economic renaissance and building housing like they were in a recession. When you do that, and you combine that under-supply with a massive demographic shift that occurred in the early 2000s (which was the millennials, the largest birth cohort since the boomers, leaving their households, leaving their parents' households, and forming households of their own) you get demand far outstripping supply and the price of housing going up, and that's how you would arrive at a situation where not just low-income people, but people who have objectively pretty good incomes can't afford housing. And of course, if they can't afford housing, then the situation is devastating for the many low-income people we do have, right?

And that's most evident, I think, as Assemblymember Wicks pointed out in her introductory remarks, in the many homeless people we have—on any given night in Los Angeles County, 70,000 homeless people, and in the many rent-burdened renters we have, again, just using statistics from Los Angeles, about 60% of our renters are rent-burdened, right? And so this brings us to the need for permitting reform. One reason California could add a lot of housing rapidly in the past was because the State had a lot of vacant land, and it was relatively easy to build on vacant land and build detached, single-family homes. Today, we don't have as much land. We also have environmental and climate goals that make us want to build more densely, but our regulatory system is not equipped to make that easy, right? So hence the need for permitting reform. In too much... especially again, in coastal California, where prices are highest, building multifamily, dense apartment, infill development has been obstructed by height limits, density restrictions, parking requirements, lengthy approval processes—we probably all know the roll call. And an important thing to remember is that these impediments, when they block multifamily housing, they are an obstacle to market rate multifamily housing and to affordable housing, because most affordable housing is multifamily housing, right? So if it's hard to build apartments, it's hard to build any kind of apartment.

And since 2017 the legislature really has kind of focused on eliminating or reducing these regulatory problems with a lot of different efforts. I think upwards of 100 different bills have been passed in one form or another, and some of these reforms have been very successful. 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. This is great. An advantage of ADUs is that they're a gentle form of density. They also can provide rental options in higher opportunity areas that otherwise would be restricted to owner-occupants. So ADUs are an important part of the solution. An important disadvantage of ADUs to remember is that they are the type of new housing that is least likely to actually find their way into the rental housing supply. A lot of people build ADUs simply for the option value. They build them as a place to keep their kids entertained. They build them in anticipation of perhaps an in-law moving in, and a lot of people build them thinking they will be a landlord and then discover they actually don't like being a landlord, they don't like having a stranger in their backyard, right? So where there is no one-for-one relationship between building ADUs and seeing

housing find its way into the supply. And so for that reason, it's really important actually to target reforms that are going to help people who are professional housing providers build housing.

And these efforts have been a little bit less successful, and for a variety of different reasons. But one reason for that, I think—I'm an outsider to Sacramento—but it seems to me watching this happen, is that the conditions required to get a bill of this nature through Sacramento are also conditions that make it hard to actually use that bill to build housing once it is passed, right? There's a number of what we've done is we have layered a lot of conditions onto permitting reform, and there's a bunch of different conditions. There's labor rules, there's rules that say you can only do permitting reform in close proximity to public transportation, there's owner-occupancy requirements, and so forth. But the one I'll focus on, just illustratively, is affordability restrictions. Using inclusionary zoning or linkage fees or things like that, and having requirements that say a certain number of new units if you're going to take advantage of permitting reform must be set aside at below market prices. These requirements are misguided. The most common criticism of them, which is an accurate criticism of them, is that they are extremely difficult to calibrate, and that, as a result, they can render some parcels that might profitably hold some housing infeasible for development. And so the criticism is that if you force market rate developers to provide below market rate housing, and you're not careful, you will often get less of both kinds of housing and less housing overall. I think that criticism is valid, and the research backs it up, but the bigger issue is that a continued insistence on inclusionary provisions betrays a fundamental misunderstanding and under appreciation of the nature of the housing crisis. Implicit and sometimes explicit in the logic of inclusionary zoning is the idea that building new housing actually undermines affordability, that the developer is therefore obligated to mitigate the impact they have on affordability by providing below market housing. A related idea is that because the developer is getting private benefits by being able to build more, he or she owes the public social benefits in the form of market rate housing. These ideas don't make a lot of sense, conceptually or empirically.

Conceptually, we have a housing shortage, and building housing reduces that shortage. As a result, there is a public benefit simply to building more housing. Empirically, there is no credible evidence that building new housing increases the price of existing housing nearby, either in its immediate neighborhood or in the region overall. If you do the research properly and control for the fact that development is more likely to occur in the first place in places where rents are rising, you find the opposite, which is that new housing reduces rent appreciation both in its immediate neighborhood and in the region overall. So I think this misconception arises from a natural concern that new market rate housing is too expensive for lower income people to live in. And that's true, but I'll make two points about that.

The first is that lower income people have almost never been able to live in new construction. They live in older housing, which has always been cheaper. But the important thing to remember is that what keeps older housing cheaper is new housing. If you don't build new housing, the older housing becomes more expensive. In places like Los Angeles and San

Francisco, most new housing is expensive. Most expensive housing is not new, right? The hallmark of a place that has a housing crisis is not that when it builds new housing, that housing is expensive. It's that because it builds so little new housing, it's old housing, which used to be cheap and which we relied on to house our more vulnerable residents, becomes more expensive.

The second point I'll make about this harkens back to the very first thing I said, which is that we have two interrelated but distinct problems: low incomes and insufficient housing supply. The optimal solution to low incomes is money. The optimal solution to scarce housing is housing abundance. It may seem tempting to blend these two and try and do both at once, but it doesn't work. And I hope years in, we have learned that fact. You cannot subsidize your way out of scarcity, and you cannot build your way out of poverty. We have a serious problem that is caused by insufficient housing supply, and the solution to that problem is to make it easier to build housing of all kinds. Anything that gets layered on top of an effort to make it easier to build housing risks undermining our ability to get at the biggest root cause of the housing crisis.

So the ideal permitting reform as a result, is a law that simply makes it easier to build multifamily housing almost anywhere and especially in places where prices are highest. And I might add, that is what we did with ADUs, and that has been our most successful reform. Now, saying this does not imply that income assistance or transit ridership or worker welfare are unimportant, but it's important to remember that these are different problems, and trying to solve them through the housing permitting process is going to have relatively few benefits because it is so roundabout and indirect, and it's going to have relatively high costs. It's also important to remember that expensive housing makes almost every other problem in California worse. 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. So in closing, let me just say that I do think the California Legislature has done great work in trying to tackle these issues, and I hope it continues to do so, and that the University of California stands ready to help. But I do think that the next step is a reform that is sort of unencumbered by these well-meaning desires to solve other problems through the housing process; the housing problem, by itself, really is hard enough. Thank you.

Chair Wicks

Thank you very much. Round of applause. You're used to this every time you walk into class, right? Yes, I have some questions, but I want to defer to my colleagues first to see if they have questions, or I can start if you guys... Okay, one of the points you made was the conditions that are put on the permitting reform laws that we've passed, and you spoke specifically about inclusionary zoning. Can you just elaborate on, from your perspective, the challenges around inclusionary zoning? There's an obvious opportunity around inclusionary zoning in that, obviously, we want some of the housing to be built for below market rate, right? That's the

whole intention behind it. I just would love for you to extrapolate on that and just give us some more sense of what you mean there, because you talked it through pretty quickly. But I'd love more data.

Michael Manville

So I think part of the issue is what I touched on at first, which is to say that it's that there's only a certain number of areas, even in an expensive place like Los Angeles, where you're going to make, you know, a large amount of housing pencil, right? And so it can be difficult to really design a linkage fee or an inclusionary zoning policy in such a way that you're going to get the most out of that land, because what happens is every parcel is a little bit different, every development situation is a little bit different—I'm sure the developers in the room could speak to this much more eloquently than I could, but what works in one building is going to make another building not pencil as well. And so what you end up with is just sort of, you know, the joke is sort of like, well, you'll get, you know, 15% of nothing, right? Yeah. And I do think that's a bit glib, but it's also, there's, there's something to it. And the other issue is that once these get built, oftentimes they just sort of vanish into the ether. That's to say, like, who's living in the 10% of units that are set aside by this developer 15 years on? Oftentimes, no one knows, right? That what you've done is you've taken someone who is in the business of market rate development, and you've told them, well, now you're also an affordable developer, but those are two different businesses. And I'm sure we've all heard the stories of like, "Well, how do I get someone into my set-aside? Well, I got a, you know, my friend's daughter who's a grad student so technically she has no income, so she fits the bill, and this and that..." I think that, you know, mission-driven affordable housing developers can provide a lot of affordable housing if we make it easier for them, and they can do it at scale. And that may be a better way to do this, particularly because, again, the nexus that's implied in the inclusionary doesn't make a lot of sense to me.

Chair Wicks

And is there—and I've obviously run bills that have an inclusionary component in them, you know, and we've put a lot of thought around trying to figure out what's the most we can kind of demand, while still making it a useful tool and actually getting the housing built. And it's, there's a lot of, I think, pontification on what that number is. Do you have a sense of a number that you think makes sense, or is it too hard to say, depending on the market.

Michael Manville

I would say you'll never know.

Yeah. I mean, it's just, you know, particularly when you get into sort of these infill situations where it's like, we really do want to have infill housing. And in the ideal situation that means I can tuck a building onto an oddly shaped lot, I can do something with a small parcel, and, you know, so that the number you come up with based on a, you know, five-over-one on Venice Boulevard is not going to be the same depending on these different things. And again, I mean, I do want to emphasize like, it's—I'm going to borrow a line from somebody—we don't expect

farmers to solely fund food stamps, right? And so there is a sense where it's like, you know, you're just someone going and building some housing, it's very helpful. California needs a lot of housing, and so when someone says they're willing to do that, and you say, that's not enough, this is why that's where we're where we're at. This is why there are people living in tents.

[Chair Wicks](#)

And this, the inclusionary zoning piece, it's a politically fraught conversation, as you can imagine. So if you could wave a magic wand and write your best permitting reform bill for the legislature, what would the contours of it look like?

[Michael Manville](#)

I think it might look... it might just look like a more expansive version of SB-827.

[Chair Wicks](#)

I assume you wouldn't put the conditions on it, though.

[Michael Manville](#)

No.

[Chair Wicks](#)

Right. And that would include—

[Michael Manville](#)

So some of the conditions, right? I mean, I think if you're taking down an existing apartment building, things like that, and taking care of people who are in that building, that makes sense to me. But the set asides, no.

[Chair Wicks](#)

Which would be inclusionary zoning and labor standards?

[Michael Manville](#)

That's right. Hey, this is why I'm not in the legislature.

[Chair Wicks](#)

It'd be a tough bill to get passed.

[Michael Manville](#)

I mean, yes, for sure. I can't speak to that.

[Chair Wicks](#)

Yeah.

[Michael Manville](#)

Yeah.

[Chair Wicks](#)

Okay, thank you.

[Michael Manville](#)

But I'm just saying the trade off—

[Chair Wicks](#)

But conceptually that would be this, right?

[Michael Manville](#)

Yes.

[Chair Wicks](#)

Yeah, okay. Thank you. Mr. Alvarez?

[Assemblymember David Alvarez](#)

Thank you. More along the sort of, just, big picture items, you used a phrase, which I took interest to. "California's coast is building as if we're in a recession," meaning we're not building enough.

[Michael Manville](#)

Right.

[Assemblymember David Alvarez](#)

Would that be one of the... if you were to rank the underlying problems on housing, and I understand, like, the first one is just allow things to get built, right? Building housing is just good. In terms of the specific barriers which we have allowed through legislative and maybe through regulatory authority for the coast to behave in this way, where would you rank this in order of importance and significance, given the disparity and where we've seen the last seven years or so, building new housing which is inland versus on the coast?

[Michael Manville](#)

Yeah, I think, you know, it's even we have some research on this at UCLA that I'm happy to share. It's really important to make it easier to build in places where rents are higher, because that's where the reform is actually going to trigger building, right? That again, you know, it doesn't matter if it's very easy to build in a place—I'm going to simplify a little bit—where no one wants to live, because the developer won't build there, right? But making it easier to build in a place where rents are high or prices are high, that leads to, actually, a lot of development. And so I think it's an extremely important part of the problem, especially when you factor in that the places where the prices are high, the prices are high there for a reason. They're close to jobs, they tend to be places that have nicer climates, have more opportunity, better schools,

and we don't... the extent to which the built environments in those places in California have not changed, we don't notice it because they haven't changed. But it's really remarkable. If I look out the window of my office at UCLA, I see a bunch of detached single-family homes, and they're the same detached single-family homes that have been there for 60 years. But you know, if we lived in a slightly less regulated environment, I would be looking out my window at four story apartment buildings. Like there's just so much demand to be in Westwood, for good reason, and we have bottled that up and the important point is, when you suppress that demand, it does not necessarily reappear in Riverside, because you've made it easier to build in Riverside. They're just different places.

Assemblymember David Alvarez

Yeah, and you talked about research. I'm going to plug this book that I picked up not long ago. I was listening to a story on NPR, and it's on the housing crisis, and there's a couple of research—and I happened to bring it with me in my backpack. I'm almost complete with reading it. But a couple of research points that you brought up that I think are important, there's this assumption that you... in places, particularly where housing is expensive, and you allow more housing to get built, that that's just going to raise the price of all the rents. Can you talk more about the research that you're done in that regard?

Michael Manville

Yeah, and we've done some of it, and people across the country have examined this question as well. And let me say that that belief is very intuitive, right? And the idea that building more can reduce prices is very counterintuitive, right? I mean, you have an area where things are very expensive, and you say, okay, here's the solution. Some guy motivated entirely by profit is going to show up and build a fancy new building, and richer people are going to move in. It's understandable that that doesn't sound like a recipe for affordability, but what you have to account for is the fact that one—and then on top of that, excuse me, on top of that, when you look at that building and then look at that neighborhood, what you see is, well, the building went in, and actually the rents have gone up. And so what you have to account for, if you're going to study this, is that first the developer probably built there because the rents were going up, right? That's what developers look for. This is how they get funding. How do we know we're going to make money? Well, rents are rising in this area. So if you can account for that, then what you see is that the nearby rents do either go down or their appreciation is slowed, right? That they go up by less than in other places where there hasn't been as much building. And the reason for that is simply that the supply effect is real. It softens—that if you are in a neighborhood where there's enough demand to build a brand new building, then you're in a neighborhood with a lot of market pressure, and if you didn't build that building, the market pressure would not go away. What would happen is that the same people who wanted to be in that neighborhood would move in, and they would push up the rents in the existing building. Right? So one way to think about these new buildings is that they are just, you know, they're just big yuppie diversion machines, right? That when we get richer people moving into these neighborhoods, we have a decision to make. Do we want 'em to go into new buildings that we put up and absorb their demand that way? Or do we want them to crash

through the doors of these buildings built in the 1950s and 1960s that right now are naturally occurring affordable housing and push the rents up. And if you build, you do the first and if you don't, you do the second.

Assemblymember David Alvarez

Yeah, the last thing I'll just ask, the other premise in this book, which I think I've learned from experience being the local elected official voting on inclusionary housing, local ordinances, and all these things is, there's a premise in here that you cannot solve this on a city-by-city basis. This is really a state problem, because things like approving a four-story building in your neighborhood is very unpopular, and so no local official will ever support that. Have you done any research on that that you can point us to as to why decision-making on housing really needs to be done at the state level, and we can't really wait for locals to act on this issue?

Michael Manville

Oh, absolutely, yeah. I mean, 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. Because, of course, everybody might understand that California needs more housing, and so it'd be good if we had it, but it would be really good if the housing was all somewhere else, right? And as long as that can be the case, we are going to continue to do some combination of under producing housing overall, and also pushing the housing that we do build onto communities that may be more vulnerable, that may offer less opportunity for people there, and so forth. And so it's no accident that, you know, we don't build a lot of housing. It's no accident that we have suburbs that avoid their housing responsibilities. And it's no accident that even in places like Los Angeles, most of our new housing is built alongside our six lane arterials that are highly polluted and noisy and not nearly as desirable the place to live as much of the city is.

Assemblymember David Alvarez

Which sometimes actually drives the cost of housing, perhaps there. And another, I'm getting into the segment of the book now where gentrification can actually occur as a result of that, because you're bringing in new stock, and therefore... I'm just curious on—

Michael Manville

Yeah, so I mean I think, this is one of these things where like, you know, how do you define gentrification? And 10 people will have 10 different answers. If what you mean by gentrification is that the neighborhood changes and its socioeconomic composition changes, absolutely. You build a fancy new building, you're going to get a different kind of person in the neighborhood. But the question of whether that's accompanied by displacement is a separate one, because if you just build new housing and that, you know, I'm idealizing a little bit, and that absorbs most of that new demand, well, then you're going to have a neighborhood that is statistically richer, and it's going to have a lower proportion of people who are low-income, but the absolute number of people who are low-income might be the same, right, because they're still in their

buildings. Whereas there are plenty of places where we don't build new housing, right, and they gentrify and see displacement much, much more. I mean, to give you a quick example of this, I mean, Venice in Los Angeles, has less housing today than it did in 1980. The buildings look the same, more or less, but the neighborhood composition is completely transformed, and in part because we haven't built any new buildings.

[Assemblymember David Alvarez](#)

Thank you.

[Chair Wicks](#)

Thank you. Mr. Carrillo?

[Assemblymember Juan Carrillo](#)

Yes, thank you. Going back to why the housing cost is so high, if we were to rank the reasons why it becomes so expensive, and just to mention a few, say CEQA, more state subsidies, or even labor agreement or disagreements to build the housing, what would be the ranking among those three that you would recommend the legislation to work on to facilitate the housing units that we need in the state.

[Michael Manville](#)

Oh, I mean, people could have a lot of different arguments about that. I do think, you know, CEQA can be a very big deal, right? Particularly for larger projects, you know, and that kind of probably interacts a little bit with the labor stuff, right? Because CEQA can turn out to be something that labor unions use to sort of get what they want out of developers and so forth. But I also think there's just a... it's too hard just to build mid-sized buildings, right? The type of development that might not even really fall under CEQA. You know, I think that what one thing that's happened in our state is that, because such a relatively small fraction of the high-demand land is zoned for multifamily housing, the multifamily housing that we build has to be the kind of pretty big, expensive multifamily housing that, in addition to being more expensive to construct, is more vulnerable to CEQA stuff, is more vulnerable to labor conflict, and so forth. Those are vexing problems, for sure, but also they could be avoided if a lot of the neighborhoods where right now we just have sort of low density, single-family zoning, could be four-plexes, triplexes, you know, small apartments, that kind of thing, wood frame construction. That I really do think we have to remember that most of our expensive regions, they allow so little that even modest reforms could get us pretty far.

[Assemblymember Juan Carrillo](#)

Another thing that hasn't been directly mentioned is the environmental movement, other than CEQA, which is part of it. But given the way that the environmental groups are opposing just about anything that has to do with anything, in this particular case building housing units, if there was a development right next to a freeway, for instance, they would oppose to that for their reasons. Do you believe that there is a way to get that movement to come to a balance where we can realize that we have a serious problem, which is not having enough housing?

How would you start working on getting those environmental groups to agree on we need to build housing?

[Michael Manville](#)

Yeah. I mean, I just—that is not my expertise. I feel like you guys probably know better than me how to negotiate with interest groups. I can barely convince my faculty members to do anything.

[Assemblymember Juan Carrillo](#)

One last comment, real quick. You also mentioned that the housing that may be more affordable to build is in areas where people don't want to live, and that kind of brings me to the area that I represent, Palmdale, Lancaster, Victorville, Adelanto, where when I was a council member there, the challenges that we faced was where investors or developers were not willing to build the multifamily units because they believe that the market does not exist up there. When I would argue all the time that just because of 14 freeways capacity at five in morning with workers coming down to LA, I made that argument that the demand would be there if they build it. Of course, it's a very expensive project, if you build it, and then just nothing happens. But again, given the fact that the workers come from the suburbs of the LA area, the housing continues to be more affordable. What would be the way that we can maybe, legislatively, be able to make those developers be able to build over there where the housing need is—of course, keeping in mind also that we need to also invest in public transit, widening the freeways is not going to be the way.

[Michael Manville](#)

That's right. Yeah, I mean, I confess I'm not as familiar with that situation. If I'm hearing you correctly, you have a situation where there aren't many regulatory obstacles for developers out there to build an apartment building, they just don't see the demand, and so you're having a difficulty sort of getting that action. I mean, that is something that occurs, right? You know, development is a risky business, and the developers or their lenders are going to be somewhat risk averse. Again, you know, it's possible that some of the developers on the following panel can speak to this with more experience and intelligence than me. I know that there have been situations where, you know, if you can get someone to kind of go first and take that risk, and then everybody else sees that that person is making money, next thing you know, you got some development. I'm not sure that there's anything that can be done from a public policy perspective, to consistently induce development in places where the private market doesn't want to go. There we have, unfortunately, a fairly long history in the United States of efforts to do that in in cities that are kind of softer markets, and they don't usually work, and trying to incentivize the private market to do things, the record there has been pretty mixed.

[Chair Wicks](#)

Well, thank you very much.

[Michael Manville](#)

Thank you.

[Chair Wicks](#)

We will now move on to our second panel. If our panelists could come up. We will let them self-identify, and let's maybe go down the list of the agenda, if Nevada you want to start first.

[Nevada Merriman, MidPen Housing](#)

Sure. Thank you. Thanks for the opportunity to speak today. I'm Nevada Merriman. I'm the Vice President of Policy and Advocacy for MidPen housing. We're a nonprofit developer, owner, manager, and we provide resident services. We've developed 138 communities. We manage 10,000 homes, and we span 10 state senate districts and 17 assembly districts. We have a 4,500-unit pipeline, and in any given year, sorry for this plug, due to the inconsistencies in state housing financing available, we'll have somewhere between 500 and 1,700 homes in construction. We have our roots in the San Francisco peninsula, so we're familiar with environmental infill revitalization.

[Chair Wicks](#)

Can I just say one thing? Sorry, I forgot to say everyone will have five minutes.

[Nevada Merriman, MidPen Housing](#)

Ok.

[Chair Wicks](#)

Yeah, and I'll be timing.

[Nevada Merriman, MidPen Housing](#)

So we're familiar with infill housing, and the public perception is sometimes that these sites are unsuitable. However, much of the land under single-family homes, in some of the most expensive areas to live in in the country, have a variety of issues that may need to be mitigated for. Think about underground storage tanks or, you know, five feet of fill brought in that layers most of Silicon Valley, and this is legacy contamination, either from Silicon Valley industry or historical farming.

You know, 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. AB-646, for example, signed into law in 2018, is a fair housing bill where all agencies must affirmatively further State Fair Housing, and that means taking meaningful actions to address disparities, change segregated patterns of living and beyond. Sometimes our permitting process works well, but a lot of times it lacks alignment, up and down alignment from the various agencies. You can think about some of the great housing bills that have been passed—SB-35, AB-1449, the one we worked on together, AB-2334, etc.—and when we are not able to take advantage of ministerial processing or the other goals of those bills, because we get a roadblock from another agency, then really we're not achieving that vision. And you

know, we have a lot of specific examples of where we could enhance our work together there. We've worked with 24 different agencies of California's 200+ agencies, not all on the same project, but every project has its own particular path forward. In an ideal world, each agency would restate this commitment and work together. Oftentimes, one agency will have very hard and fast deadlines. If you don't perform, your financing evaporates. And other agencies may not be able to respect that due to their longer processes.

You know that development is risky. We move forward only as we incrementally button up risk. No developer is going to get into a project and then think, okay, maybe I'll have to clean up the whole aquifer under the city of Belmont, for instance. So we need to have assurances along the way in order to continue to move forward. And as a nonprofit, certainly, we do this, but we do this in partnership with your city partners and your county partners. I have a first example in San Mateo, and this is really related to Department of Toxic Substance Control. We have had, in some cases, two years of awaiting responses, or three particular reports. I'll certainly provide the details afterwards. The punchline really is, though, that one of these reports was identified up front, we submitted what was needed, and two years later, we still don't have it. We're continuing to be billed for staff time and review. That's open-ended. We also, after starting construction, two more additional reports were decided were needed there, and now we're under a year under review for those two new reports. The cleanup that we have in our budget is nearly \$1 million. That is work where we are remediating the site itself. And I think it's important to remember that there's processing fees, there's changes in the overall design that you must do in order to mitigate and make the project suitable for and safe for humans to live there, but there's also real cleanup work that we do, and that's that'll be a theme in my next example as well. In Daly City, we had another large 555-unit, multi-phase project, and we were not able to get the sign-off needed for DTSC, once again, to receive our temporary certificate of occupancy. Rather than approving this, they provided written approval, allowing residents to move in. So clear recognition that their own process wasn't going to work in any kind of timeframe.

And when you have, when you're unable to get a certificate of occupancy, you're carrying your maximum construction loan carry, so on \$100 million here now you have an \$80 million construction loan. Very high interest rates net right now, that full load is getting billed month after month after month, and those are business ways of calculating the cost. But there's a societal cost as well. You have homes that are empty, waiting for somebody to move in, and a regulator not allowing that to move forward. This is also very relevant to the PG&E conversations across the state, where we have time delays that cost money that get billed back to the locality, San Francisco and others, but really they also prevent the homes from being brought online. So in that particular project, there was \$1.7 million of cleanup work. I think that's important. 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. Because we, too, want to see the societal benefits that housing can bring. We can bring it forth, housing. We can also bring forth having in the center of our infill sites next to City Hall and whatnot. We can clean up legacy contamination, and that's a benefit to everyone.

I'll stop there. Thank you.

[Chair Wicks](#)

Thank you. Oh, actually, we'll do Dave. Actually, let's go in order. Sorry, we'll go Dave next.

[Dave Rand, Rand Paster & Nelson LLP](#)

Good afternoon.

[Chair Wicks](#)

Is your mic on? Sorry. There you go.

[Dave Rand, Rand Paster & Nelson LLP](#)

Good afternoon. Thank you so much for having me Chair Wicks, honorable committee members. My name is Dave Rand. I'm a land use attorney. My law firm, Rand Paster & Nelson, has the good fortune of representing many housing providers attempting to build much-needed housing all across the state. Heavy emphasis on Southern California, and it's great to be here to have this conversation, and I'm really heartened that you've set up this committee to have this conversation. It's hard for someone who does what I do for a living to not just come here and say, "Make everything by-right, reform CEQA." I'd love to spend time talking about that, but I know how challenging and how hard that is, so I'm going to do something rather boring and talk about nuts and bolts, and talk about process. This is the select committee on permitting reform, so let's talk about the permit process.

The two hallmark laws we have in California that dictate and govern 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.

It starts with filing an application. File an application you're supposed to get deemed complete in 30 days. That sounds doable if you're in the City of, say, Santa Monica, it is doable. 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. Because the complete items that are required are infinite, study after study, engineering drawings, construction-level document drawings. Just to get started, just to get in the door, is extraordinarily expensive and time consuming, so

much so that there are jurisdictions that have set up processes at the outset that are so onerous it keeps people from even wanting to participate in those jurisdictions. They create a sort of aura around them that "don't come here, we're going to put you through hell." 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.

We can have that same process for an application, and I can start with my client at the same time in the City of Santa Monica and the City of Malibu, or at least, I should be able to and that could help get us there. As we go on into the process, after we go through code compliance review and back and forth with the city over objective standards and the like, we get to a point, in theory, where there is a timeframe to approve a garden variety, general plan-compliant housing project. Say, if the city is processing a project in an infill housing development through a CEQA exemption, 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. I can think of one or two jurisdictions that have a process where they start with a CEQA determination that occurs before the overall project entitlements are approved themselves. So there has to be a mechanism in the law, and AB-1633 started this to a degree, but there has to be a mechanism, particularly with more streamlined CEQA clearances, whether it's exemptions or addendum to previously certified EIRs within the scope determinations, what have you, whether it's not public comments and responses to comments, it's more administrative in nature, there has to be a point where the applicant can say, "Okay, City, you have everything you need. Are we good? Yes?" Sixty days shot clock now starts. We don't have that right now. And as a result, the permit streamlining timeframes once you get through the code compliance review, after you're deemed complete, fall off the cliff and you're at the mercy of the jurisdiction to move the project forward, has to be fixed. If those two things were done, the beginning of the process, the end of the process, the Permit Streamlining Act and the Housing Accountability Act would work better together. We'd have a smoother process, more predictable process, more uniform, equitable process across jurisdictions. We wouldn't have the disparities to the degree we have now in processing, I think we do much better moving forward. So in closing, I'll just say, make everything by-right, and please reform CEQA. Thank you.

Chair Wicks

Thank you. That was helpful, Dave. Tom, I believe you're next, right? We'll start the clock.

Tom Grable, Tri Pointe Homes, Inc.

Alright. Madam Chair and members of the Select Committee, I'm Tom Grable. I'm the division president for Tri Pointe Homes down here in Southern California. In fact, you were sitting in my

market area. So we manage this territory of our market. Tri Pointe Homes, we're the fourth largest builder currently in California. We have 18 operating divisions in 13 states, and we were a startup builder here in Southern California just 15 years ago. I also have the privilege of chairing the California Building Industry Association this year. We represent the homebuilders who build 85% of the homes that get built in our state each year. And I also am a member of the leadership of BizFed and co-chair of the Land Use and CEQA Committee here in LA County.

However, as Chair Wicks knows, I started my career writing EIRs, so I have more than a working knowledge of CEQA and the pitfalls of it. I sit here today representing not builders, per se, but rather people, all the people who need housing. So we build homes for people, the people who have those needs. And the question and challenge that this committee, I know, is undertaking, is California finally serious about solving the housing policy crisis?

And so, I just want to outline some inconvenient truths... some of which have been mentioned in passing, but housing in California and housing anywhere is a canary in the coal mine. It is a lead indicator of the state's economic health. Number two, another inconvenient truth to many, is the market always wins. So I'll leave it at that, and we can talk about that later. Also, too, as I mentioned, we don't have a housing crisis. Instead, we have a housing policy crisis that's been underway for 40 years, ever since the late 80s, early 90s. A balanced approach is needed. Infill—I know we're talking about infill today—but infill is not the panacea to solve the housing crisis. Likewise, affordable housing is not the only type of housing that is going to solve the housing policy crisis. Also homeownership, not rental, is the way to generate generational wealth creation for disadvantaged and underserved communities.

Housing legislation in recent years—there's been well over 100 bills, I think it's now approaching close to 150 bills that have been approved—but if you go back to October 2017, there was a challenge that was issued during the election of that year, and that was to build 3.5 million homes in our state in the next seven years. So how'd we do? What's the report card look like? From 2018 up until today, or yesterday rather, I've calculated it, of those 3.5 million homes, there were 774,825 permits pulled in that seven year time period, 22% of the target. Now, if I was in Dr. Manville's class and I had a 22% report card, I know what my grade would be in that class. So we're failing our residents here in the state. In that seven year period, that averaged just a little over 110,000 homes per year. That is at all-time lows when you look at it over the past 70 years in California going back to 1954. And the median price range from 2017 to 2024 went from \$529,000 for a home in California to \$816,000, an increase of 54%.

Population decline and shift out of state is reality. In fact, we lost electoral votes in our state as a result to states like Texas, Arizona, Nevada, and Carolinas. So again, the market is dictating that. Community counts in Southern California is going precipitously in the decline. Insurance, I just have to say insurance and everybody in this room knows what I'm talking about. Also wildland areas and wildfire protection. Builders today, since 2010, are building the most fire-hardened product that we've ever built, and it's proving to be such fire-hardened that we are

withstanding wildfires that are coming to our doorsteps and stopping. With the older stock, that isn't happening. So in actuality, for building outside in the wildland areas, we are providing a defensible space and actually the wall to the city, protecting the older stock homes that are vulnerable for fire dangers.

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. Needless to say, that's why the capital is flowing to those states because of that reliability and dollars are going out of California for builders going to other markets. Also, 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.

So... so macro pre-entitlement challenges, CEQA reform, needs an overhaul. General plans: the Housing Element has been revered as being that primary driver. Let's look at the Land Use Element. Let's hold cities accountable for their Land Use Element providing ranges of densities that we can build. Also program EIRs—cities can be held to higher levels of accountability for those EIRs on a programmatic basis that basically sets up a by-right type of system to expedite the process. Zoning ordinances, I can tell you, and because we've experienced it firsthand, 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've actually had a couple of potential projects we've had to walk away from because they weren't as advertised. The games that cities are playing in that regard. We need to expand SB-330 the Housing Accountability Act, this was mentioned. Also something that hasn't been mentioned yet: electrical capacity. We have a massive problem on the horizon that is not being talked about openly right now, and we're—us builders—are running up against it in developable areas. Capacity is an issue because it takes too long to bring infrastructure to those service areas, and that also includes infill.

Chair Wicks

Would you mind wrapping up?

Tom Grable, Tri Pointe Homes, Inc.

Yes, so plan checks, permitting. We need shot clocks, just as the gentleman to my right just described. On-site construction inspections, 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. So consistency of jurisdictional operations. Walk across the street to a different city, you got a whole bunch of set of rules, as was mentioned. 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, that's something to look at. Inspections follow the

approved plans I mentioned, and then penalties for rogue jurisdictional retaliation, retribution—that does happen. So I'll wrap up to say home builders to jurisdictions, the state, counties, and cities that we build in: we are your customers, if we could just be treated that way. So thank you for the subcommittee entertaining this. CBIA will be a resource to this body, and we look forward to your success, and we thank you for the consideration, especially including a market rate builder on the panel.

[Chair Wicks](#)

Thank you. Thank you. Jennifer Ganata, you are next. Thank you for joining us today.

[Jennifer Ganata, Communities for a Better Environment](#)

Apologies I was frantically trying to edit.

[Chair Wicks](#)

That's ok.

[Jennifer Ganata, Communities for a Better Environment](#)

Thank you, good afternoon. My name is Jennifer Ganata, and I'm the legal department co-director of Communities for a Better Environment. I appreciate being able to speak today on infill housing, and I'm going to talk about public health as it relates to that. I know that the topic of housing is not often discussed from an environmental justice perspective. CBE is an environmental justice nonprofit organization that since 1978 has used community organizing, research, and legal strategies to build power with the four communities we partner with, from the Bay Area to LA. We are in southeast Los Angeles, Wilmington, East Oakland, and Richmond. As an attorney and a former community organizer, my work is primarily focused on the intersection of environmental justice, land use, and housing at both the statewide level and the local level. From my firsthand experience working alongside low-income BIPOC residents who suffer from severe and chronic health conditions due to their poor housing quality, and actually just where they live, I found that it's crucial to tackle our state's affordable housing crisis using an intersectional, multi-issue lens. We must address housing by simultaneously addressing the various issues that are connected to housing and healthy community. So those questions are how housing should protect and not weaken public health, how it can be well integrated into neighborhoods to promote our state's climate goals, and how it should guard against common harms such as exposure to toxic pollution and resident displacement.

As I've talked to parents and youth from southeast LA to Wilmington over the span of 11 years, they've made it quite clear that they do not want to be forced to choose between having housing that's affordable and being able to protect their health and their children's health. To be forced to live next to polluting freeways and toxic industrial factories is both an environmental and racial injustice, and a lack of care for their humanity, in their eyes. So I actually provided Steve a report the California Environmental Justice Alliance put together about housing and environmental justice. I've cut that part out of my testimony. Hopefully you read it, but I do want to continue and talk about that.

You know, Robert Bullard, who's largely considered the father of environmental justice, understood the relationship between housing justice and environmental justice earlier on in his work in the 70s through the lawsuit *Bean versus Southwestern Waste Management*. He and many others continue to assert that housing must be addressed as an environmental justice issue. Bullard notes that limited housing and residential options combined with discriminatory siting practices contributed to the toxic exposure to the black community in Houston, Texas. In 1979 he was asking the questions, how are benefits and burdens of environmental reform distributed? Who gets what, where, and why? Are environmental inequities a result of racism or class barriers, or a combination of both? These are all still very salient questions.

Just southeast of where we are now are the communities of southeast Los Angeles, often referred to as SELA. These are vibrant communities comprised of largely working class residents. This region is also considered, population-wise, the densest parts of LA County. CBE's office is located in Huntington Park, which is one of the larger cities in SELA. In 2021, CBE, along with our housing justice partners, sued the City out of lack of compliance of their Housing Element as well as their Environmental Justice Element. While we prevailed in our lawsuit, we continue to this day to figure out what is the best way to address the housing concerns that keep in mind the historical legacy of industrial pollution in the region as well as threats of tenant displacement. At this very moment, we're still trying to figure out how to do rent control, as we know that a lot of development is about to come into Southeast LA. So in the coming years, as a city has to rezone in order to meet the RHNA numbers, this is where it becomes difficult. Will developers simply get to use different streamlining tools to get around environmental review, which can lead to harms for current and future residents if they fail to address the toxic and polluted land they are building on and around? CBE has been organizing in SELA since the 90s, and what we now know is that region is impacted by multiple sources of pollution. City of Vernon's Exide battery recycling plant closed in 2015 but not before it could emit at least 7 million tons of lead into the air and with a documented cancer risk in the community. But Exide is not the only polluter in the area. There are multiple foundries, chemical operations, metal recyclers, and simply vacant brownfields that have never been cleaned up and have been abandoned, not to mention busy streets and freeways that serve as arteries for our goods movement and cut across the entire region. So to address the important connection between housing and environmental health, I think that we must do the following. 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. Southeast LA is an AB-617 community and has a community emissions reduction plan. Many of the SELA cities have or are creating environmental justice elements. But how do we make sure that housing development is keeping all of this in mind. Another thing that we need to do is ensure that appropriate land, water, and air remediation takes place before development occurs, and create more oversight and enforcement to ensure that housing is built to protect public health and not just to maximize corporate profits. If we streamline for infill in EJ communities, how do we ensure that appropriate remediation takes place? After doing extensive research and talking to different experts and consultants, some of

whom have actually worked at the Department of Toxic Substance Control, it's that not all site assessments are done to the same high standard or quality. At this moment, there are no real checks or balances on how land is remediated. It's simply up to the developer and we know that not all developers are the same. We also need to create heightened standards and protective safeguards for those communities that have experienced higher pollution burdens and poor land use planning. We also need to include clear requirements for creating healthy, safe, and affordable housing in local land use planning, including by integrating such goals into general plans—and community or area plans—that regulate local land use. The Land Use Element of the General Plan has the most regulatory power to guide a city or a county's future development. How can we develop goals, policies, actions, and zoning codes so that our goals for affordable housing and environmental justice can also be fully implemented and realized through these planning documents? And lastly, we need to create laws or requirements that allow for important community input to be included in housing and land use decisions to ensure housing can support communities and protect against unintended harms. CBE often talks about a just transition, and typically a just transition is used when discussing the fossil fuel industry, but we also apply it to land and our need for full land remediation. How do we take land that has been a polluting site for decades, and in some instances, a century, and turn into something that can be converted into a public good for the community? These are crucial questions that we must answer first in order to create healthy housing and vibrant cities. Thank you.

Chair Wicks

Thank you. Thank you. And our last guest, City of San Diego will be presenting. Mr. Alvarez is excited about that, I believe.

Christopher Ackerman-Avila, Senior Policy Advisor to San Diego Mayor Todd Gloria

Thank you. Thank you very much. Good afternoon, Chair Wicks and members of the Select Committee. My name is Christopher Ackerman-Avila, Senior Policy Advisor to San Diego Mayor Todd Gloria on land use and housing issues. I appreciate the opportunity to share how Mayor Gloria's leadership is transforming our city's housing permitting process and advancing our shared goals for housing production. 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. Complete Communities is the City's transit-oriented housing initiative designed to improve access to transit, reduce VMT, and enhance pedestrian infrastructure.

These executive orders set a new standard for responsiveness, aiming to bring critically needed housing to market with unprecedented efficiency. In just the last year and a half since we got this executive order running, we've got 27 projects totaling 3,000 units approved. 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. Mayor Gloria's decisive leadership in

implementing policy changes and permit reforms made this possible, and we're on track to sustain this momentum this year as well.

Since 2021 the City's development services department has created substantial streamlining programs for every level of housing development. 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. Webinars and tutorials are accessed via YouTube or on the DSD website on various topics. Information bulletins and technical bulletins describe processes, procedures, fees, requirements, and provide other resources. As the state considers additional improvements to streamline housing permitting and construction, implementation guidelines for cities, counties, and tribes will be crucial to help staff quickly adopt these policies and begin to get these permits issued.

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. The Parks Master Plan, for example, adopted under Mayor Gloria's leadership, exemplifies this approach. It includes a points-based scoring matrix that allows developers to choose how to meet minimum amenity requirements, whether through playgrounds, fitness circuits, community gardens, or dog parks. This flexibility allows developers to incorporate amenities that align with both city goals and neighborhood characteristics. Similarly, for builders opting to build affordable housing off-site, we require that the receiving site—where affordable units are located—offer comparable amenities to the sending sites. A flexible point system helps standardize these requirements, measuring amenities like swimming pools, fitness areas, and community gardens by square footage, to ensure equitable resources in all communities.

Our mobility choices regulations provide similar flexibility for pedestrian infrastructure. Builders can earn points for adding high visibility crosswalks or planting shade trees or installing pedestrian rest areas or widening sidewalks or other fruit features. This flexibility supports the overall goal of creating walkable, accessible neighborhoods without imposing rigid one-size-fits-all requirements. 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.

Lastly, I'd like to very briefly touch on potential areas for improvement. The California Building Code is remarkable, and it helps us meet our climate goals, but it also certainly adds cost to housing. The state must explore the intersection of reducing carbon emissions and reducing costs. The California Coastal Commission and California Fish and Wildlife agencies are doing their jobs of protecting our cherished coast. However, they slow the city down. Often pro-

housing policies adopted citywide years prior will not be affecting the coastal zone, and for staff, this means that they need to review projects with one set of regulations in the coastal zone and another set of regulations inland. This creates confusion for staff and the applicant. Two years cannot be an acceptable review timeframe. They must move quicker.

CEQA and continuous litigation, as has been mentioned before, continues to be an issue as well. Just about every housing policy our City Planning Department proposes and our City Council adopts is challenged in court. Most of the time the lawsuit is frivolous, but it delays the implementation, and sometimes it delays specific projects so much that their project permits expire and the applicant is forced to reapply for new building permits.

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.

In conclusion, San Diego is addressing the housing crisis with innovative reforms, flexible compliance pathways, accessible resources, and dedicated programs for key industries. As we work toward ambitious housing goals, continued support from the state and regulatory alignment and streamlined review processes will be essential to achieving our objectives. Thank you, Chair Wicks and members of the committee for your commitment to advancing California's housing solutions. Mayor Gloria and the City of San Diego stand ready to support these efforts as we address our shared housing challenges.

Chair Wicks

Thank you. Just appreciate everyone's participation. We will open it up to questions from my colleagues. That's okay. I'll let you guys go first. Mr. Carrillo, do you like to go?

Assemblymember Juan Carrillo

No, just the comment made where there has to be a uniform way when it comes to do the plan-check, submit all application, all those things. And the last comment on Fish and Wildlife, treating coastal zones different from inland. We face the same concern with the Joshua tree. I represent the high desert, where there's a lot of Joshua trees that we need to protect. However, because of the way that the department is not staffed enough, there are delays like you mentioned, and I think that that's something that we should also hold accountable those departments, because with a promise that the Joshua tree trail bill that had passed last year, there's been delays. We hear that from developers, where they go through the submittal application process, in the middle of the way the department just comes with new regulations that they themselves believe they have authorization to do, just because of language in the bill. Where, in preservation of Joshua trees, local governments have the expertise to do that. The City of Palmdale and Twentynine Palms and those cities in the region. But then, because of language in the bill, the Fish and Wildlife Department determined that they can also, not only impose the fee to take a Joshua tree, but the developers will also have to transplant the trees. That's just a comment I wanted to make in that aspect, because of the way that agencies take

upon themselves, the legislation that is not intended to do and that's something on us. I realize that is something that we need to work on to alleviate the concerns of development. Again, we need to preserve the Joshua tree. We need to make sure that it continues to be an iconic species in the area, but when the language gives those agencies the ability to come up with new rules and regulations, is the where the developers get frustrated in doing that. So that's something, again, that I just wanted to realize, that's something we need to work on. Thank you.

Chair Wicks

Thank you, Mr. Carrillo. Mr. Alvarez?

Assemblymember David Alvarez

Thank you. I want to maybe start with Mr. Rand on the issue of the clock, which has always been really challenging. I think for me, from a local perspective, from a permitting process, from a local perspective, as we worked on expediting at the local level, but even now at the state and you gave some really interesting sort of insight into to how that's a problem. I guess, what I'm trying to figure out is, how can we perhaps create some certainty, uniformity around when a clock starts, whether it's for the 60-day review or for any number? I mean, the truth is, everywhere you look, such as like Coastal Commission, there's requirements to review something within a certain number of days. The clock never starts, oftentimes, right? And so I just want to hear more about that and what you've experienced.

Dave Rand, Rand Paster & Nelson LLP

Sure. It's a vexing challenge, and there are multiple clocks, and there are multiple ways to evade all the different clocks that are in the law right now. And so that's why I started with the uniform permit application, because that is one way at the start of the process, when a developer files an application, that you can get some predictability and some certainty. And you know, one city can't load up the process to the point where that clock either never stops, or once the application is submitted, there are infinite opportunities to restart that clock, because you'll be serially deemed incomplete.

Assemblymember David Alvarez

Can I ask you about—how can we ensure that when it's submitted, that it's... because cities will always tell you, well, it was an incomplete application, and so we can't really start the time, and you can't really count that against us, because the applicant was ill prepared, they did not submit certain documents, it took them a while, and then they go in this back and forth. And so this is why the clock sometimes never really starts, because the application is never deemed complete.

Dave Rand, Rand Paster & Nelson LLP

So there are some guardrails in the law on that now, but they're loosely enforced and they're often violated. For example, the law says you have to have a list of application completeness items, and it needs to be posted in a publicly accessible location, so a developer is not

supposed to guess. It's supposed to be very clear as to what you need to submit. And if there are 10, 13, 15, items that you have to submit and you don't submit them, well then you'll rightfully be deemed incomplete. But there's no guessing game. Cities often, municipalities in general, often don't follow that. And if they do follow it, some of the very astute ones just say, well, instead of asking for the 10 things we know we really need, we'll ask for 40 or 50 things. And then that just creates all the more process and opportunities for, you know, complications once the application is submitted.

[Assemblymember David Alvarez](#)

Once they submit those and they request a change?

[Dave Rand, Rand Paster & Nelson LLP](#)

So once you submit, then the city is not supposed to request, you know, new information. So if you don't submit something that was required and identified, that's an incompleteness basis, but the city or county is not supposed to then ask for new information. 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. So many cities will tell you that you have to show all the ways in which you're going to be compliant with their General Plan and zoning at the outset of the process. That's not supposed to be in that first 30-day completeness window. That is a subsequent period of time where there's a separate clock under the Housing Accountability Act for the city to review for code compliance purposes. But these things get commingled and meshed together and oftentimes get pushed to the front, creating a very hard entry point for a housing project to get started in the door. And getting that completeness determination is really critical, Assemblymember, because that's what kicks off the CEQA process. You're not really starting CEQA until you're complete. And CEQA's the longest part of the process.

[Assemblymember David Alvarez](#)

So we did not insert into the Housing Accountability Act for localities to submit whatever their list of completion is, that's just left for everybody's individual interpretation?

[Dave Rand, Rand Paster & Nelson LLP](#)

There is not a single uniform list. There's a requirement to have a list, but not a specified list, and therein lies the problem.

[Assemblymember David Alvarez](#)

Were there any conversations to make a requirement that the list must be approved by someone like HCD?

[Dave Rand, Rand Paster & Nelson LLP](#)

That would make sense. And that's what the preliminary application process essentially does. You have a finite, uniform list. HCD has prepared a standardized application. Some cities have modified that to a very small degree, but the law is very clear as to what the requirements are. So everybody's going off the same rules of the road, and whether I'm in Lafayette or Los

Angeles, I know what I need to submit for preliminary application. Not the case when we go to step two, which is time to submit that first formal entitlement application. And if we can standardize that process, as we've done with the preliminary application process, I think we'll save some time and move things faster.

[Assemblymember David Alvarez](#)

So you get through the 30 days, and then what's the next one?

[Dave Rand, Rand Paster & Nelson LLP](#)

You get through the 30 days. And then if your project is 150 units or less, the city or county has to review for code compliance within 30 days. More than 150 units, it's 60 days. These are for General Plan, you know, compliant projects that are governed by the Housing Accountability Act. So if you're doing a General Plan, amendment, zone change, you know, separate deal. So that's code compliance, and that's fairly clear. And then there's iterative back and forth on that, getting to code compliance. And then once that's done, that's when we go into the abyss. No time frames other than these timeframes that say 60, 90, 180 days depending on the CEQA document, to approval. But those timeframes don't start until the CEQA document is approved. The CEQA document is not approved until the project's approved, typically, so those timeframes really have no practical effect at all.

[Assemblymember David Alvarez](#)

How did we get into the practice of CEQA being approved once a project is approved, as opposed to...?

[Dave Rand, Rand Paster & Nelson LLP](#)

So, I understand that some time ago, there was a—Jennifer Hernandez is laughing at me, because I'm so young and new at this. There used to be... CEQA was done earlier, when it was faster, when it was easier, when it was not what it is today. It was done earlier, and then that was done and then you go to public hearing for the entitlements and the approvals afterwards. Today, in the overwhelming majority of jurisdictions in the state, it's combined. The approval process is combined. So your EIR is certified the same night that your land use entitlements are approved by the planning commission of the city council. Your CEQA exemption is adopted the same evening as your housing project entitlements. And so because of that, the timeframes for approval are essentially worthless in practice today.

[Assemblymember David Alvarez](#)

You talked about entitlements happening same time as CEQA, which I saw happen in my city, but it was only when we had plan amendments, or major amendments to local, we had local planning documents by neighborhood, almost. You're telling me that in other cities cases—

[Dave Rand, Rand Paster & Nelson LLP](#)

So, yeah, the San Diego, Carlsbad does separate the CEQA process from the entitlement approval process. You do that somewhat uniquely. Most jurisdictions in the state don't do it

that way. They combine the approvals into sort of a single package, single event. So you are right that in some of those jurisdictions that you're mentioning, it is separated, but that's the exception, not the norm.

Assemblymember David Alvarez

Got it. And what about the disapproval of entitlements? I mean, a council, I get they have the authority, or do most cities maintain that authority? Because what we would do is, usually we had programmatic EIRs, which, if it was again compliant, it didn't require discretion by the city council. Therefore, no vote. Are you telling me that in a lot of cities, they maintain discretion to approve specific projects, even if it's within General Plan?

Dave Rand, Rand Paster & Nelson LLP

Oh yes. Sir, let me be clear. Let me be very clear, if the state functioned, from a permitting entitlement perspective, like my fellow panelist, City from San Diego, your city of 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 and...

Assemblymember David Alvarez

And maintain all discretion.

Dave Rand, Rand Paster & Nelson LLP

Well, they retain the discretion, which requires the process, meaning triggers CEQA, triggers public hearings. State housing law still limits all cities 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.

Assemblymember David Alvarez

Okay, I would take a moment to take some credit on what we've done in San Diego, along with at the moment, at the time, it was Councilmember Gloria, who is now mayor, has continued this work. But I had a colleague, and I want to give him a shout out. My colleague was Mr. Scott Sherman, who was another councilmember, and together we formed a bipartisan group of regulatory reform at the local level, which I think has led to some of the improvements you talked about. But I do want to acknowledge the state has also been helpful, giving us some tools, and what San Diego has decided to do is utilize the tools to that extent. But I think, but it took a while. We started that work, I believe it was in 2015 and it was at least a couple years' worth of work of passing ordinances and changes. And so I think I just say that, because I think that's the type of focus, you know, that I appreciate that the Chair has with this committee, because we are now being very intentional in identifying those opportunities. And clearly, there's a lot here today and more. So I'll just stop there, because I've taken enough time, but appreciate and look forward to the other questions.

Chair Wicks

And that is your daily advertisement from San Diego. Thank you. I wanted to ask Jennifer Ganata, in hearing some of this—first of all, I appreciate you being here with the perspective through intersectionality and the EJ lens, and I appreciate you being here and presenting that. Given that, I'd love to get your sense, and I know the devils in the details and all that sort of stuff, but on some of the ideas presented by Mr. Rand sitting next to you, the idea of a single, uniformed entitlement application, these types of ideas to help, sort of the streamlining, still having to go through all the processes that one needs to go through, but making it as streamlined as possible. And even the San Diego model that's been discussed here. How does that strike you through the lens with which you look at housing?

Jennifer Ganata, Communities for a Better Environment

I think—so I'm obviously only speaking from, like, the jurisdictions that we're working out of, and I think that both Communities for a Better Environment and both... have talked about like, it doesn't apply to every single community. I think that environmental justice communities do have a very long history. There's a lot of work that needs to be done. So if you have a streamlined program in that way, I think the questions that I'm still raising is, what do we do about the remediation? How do we make sure that's going to happen? And I have, like, no assurances from the Department of Toxic Substance Control. Not every project will go under a voluntary cleanup agreement. Oftentimes, that's up to the individual developer. So, I mean, I guess the issue that we have is really, how do we have any oversight on what's happening in the community?

So I think the other instance, for Huntington Park, for instance. Huntington Park is about 55,000 people, and over, I think, 75% of that population is actually renters. So that means most of the folks that live there don't actually own the land. So if you live there, and you have an experience there, and you understand on the ground, what have been the conditions of living there, how do you actually give that input if you just have permits that, you know, can be approved and just go forward? I think that's the question that we're having. The thing that we want to be able to do is actually give community input. And what are community led solutions? And I don't think, you know, in doing the housing element lawsuit, obviously we want deeply affordable housing. We're asking for this to happen. But how do we do this in a way that's including the community as well? 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. And I understand that, you know, I think it's set up this way where you're not necessarily supposed to get all that input from everybody. But especially for communities like Huntington Park, where we've been organizing for decades, and now we're seeing a lot more interest because we're getting new rail the proximity to downtown, I think then the issue becomes too is thinking about displacement issues. I think the first speaker was talking about gentrification, and whether or not, that also creates displacement. Like I think there is a real fear about displacement. And going back to how, you know, working in cities like Huntington Park, I think what community residents are saying is that they want to stay in their communities, but they

also are having a hard time staying there because of it being unaffordable. So, just like, I feel like there's almost like, we're looking at this at a different way, right? Like, I think there's this desire to build a lot, but then there's also this, like, how do we deal with the units that we have now, and how do we keep them online? So, like, how do you balance that? Like, because if you are losing naturally occurring affordable housing, or you're losing affordable housing units, but you're building at the same time, like, doesn't that actually cancel one another out if you're losing a bunch of people, and people are being displaced? And I think for environmental justice communities, we're constantly trying to balance that and figure out, like, how, like, what are the solutions for that?

Chair Wicks

Thank you. Okay, any other questions or thoughts? Alright, well thank you all for participating. Okay, lots of claps today. We normally don't get to do that in the legislature, but it's a select committee. We can do whatever we want. I even had a senator come to the last one, which I wasn't supposed to.

Steve Wertheim, Senior Adviser to Assemblymember Wicks

Here's the agenda. But you're also going to read the remarks whenever you want. Maybe after this, afterwards. No cards. It's, oh, she dropped off. This is the agenda.

Chair Wicks

Whose remarks am I reading?

Steve Wertheim, Senior Adviser to Assemblymember Wicks

You're reading, the one—

Chair Wicks

Okay, we are on panel two. We will let folks self-introduce and we'll go in order of the agenda, which I think you all should have there. So if Juan would like to lead us off?

Juan Matute, UCLA Institute of Transportation Studies

Sure, thank you. Good afternoon, Chair Wicks and committee members. My name is Juan Matute, and I am the Deputy Director of the UCLA Institute of Transportation Studies. I study transportation finance, governance, and transit policy and planning in California. I also have the honor of serving the state as a member of the Transit Transformation Task Force created by SB-125.

Today I will be discussing how permitting, particularly local permitting, affects transit ridership in California. First, it's important to note that, based on the research, transit ridership is dependent on providing safe, reliable, and frequent transit. Permitting plays a role in each of these. There are many options to provide a safe on-vehicle experience, but often neglected is the off-vehicle experience. And stop lighting is essential to providing a safe off-vehicle

experience for people, and stop furniture permitting can provide both lighting at night and shade during the day, increasingly important in a climate-impacted California.

Assemblymember Nazarian's AB-1975 from 2022, which—as introduced—would have created a statewide permit streamlining and limited review window for bus stop amenities, but was held in suspense, included the following research finding from the TransitCenter, which is an advocacy group. 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. A single veto from a councilmember or an appeals process from a constituent can essentially kill a permit for a bus shelter. Shelters and other street furniture can take six months or more to be approved or installed, if they are approved at all. As a result, half as many bus shelters were installed in the City of Los Angeles during the study period compared to the City of New York in the same five-year period. This problem is complicated, because Los Angeles, though the biggest city, is one of the 488 cities in California, each of which have different requirements, which we heard about in the previous panel. And this transit stop permitting reform can also cover better signage in real-time information, both of which are essential to building transit ridership.

For reliability, permitting can be part of reducing operational variation, including variation due to traffic congestion. 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.

And then the last being frequency. Improving reliability creates an opportunity to concentrate transit service on streets with bus-only lanes, or even develop bus rapid transit. 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.

The following is excerpted from an op-ed I wrote in the LA Times in June of 2019, so pre-COVID, and given that we're a short subway ride away from Hollywood, I like the framing still. So in the 1994 movie *Speed*, the inconceivable happens. Sandra Bullock and Keanu Reeves operate a bus during morning rush hour in Los Angeles, maintaining a minimum speed of 50 miles per hour. If this feat was implausible when the movie was first released, 30 years ago now, it would be impossible today. Lower speeds and traffic congestion reduce the reliability and frequency of transit services. Between 1994 and 2017, average bus speeds in the Los Angeles area declined by 13 and a half percent to a sluggish 12 miles per hour. LA DOT's dash busses and Santa Monica Big Blue busses were particularly hard hit, declining 34% and 28%

respectively. Transit ridership in California was falling before the pandemic. We're about—as of 2022, the new data just came out this month, so I haven't analyzed it yet—we were at 56% of pre-COVID levels in 2022.

The combination of slower speeds and reduced ridership creates a vicious cycle of even slower traffic because of more congestion and rising costs to provide the same service, as transit agencies have no other choice but to pay bus operators to sit in increasing traffic. Compared to 1994 operating conditions, in 2017 LA-area transit area agencies spent an extra \$130 million to pay bus drivers, or 7% of their operating budgets in 2017, which at the time was roughly equivalent to the amount of State Transit Assistance funds the State contributed to LA-area agencies. So by improving speeds and therefore reliability and frequency, the state can help to grow both ridership and reduce per-mile operating costs.

Transportation is also California's largest source of greenhouse gasses, accounting for 39% of total emissions in 2022. Again part of COVID recovery and work from home—it's likely larger now. And coupled with transit-oriented development, a focus of the last panel, bus rapid transit and improved transit quality provides a climate solution that can extend to building energy efficiency and building affordability. A 2015 study of transit-oriented development scenarios near the Expo, or E, light rail line in Los Angeles found that new developments reduce long term greenhouse gas emissions by 33% versus business as usual. This was due to a combination of improved building energy efficiency from density and also transportation efficiencies. And a 2014 study of transit-oriented developments in Pasadena and the San Fernando Valley found that households can save \$3,100 a year in housing and transportation costs due to reductions in parking spaces and automobile use. And this is offset, well, this is net of the higher cost of a new transit-oriented development. So at the time, this amounted to 5% of median household income in 2014 which was more than a median household would pay in state income taxes.

So quality transit plus mixed use development can be a powerful solution to California's climate and affordability crises. Thanks to the work of the legislature, properties around hundreds of miles of transit corridors with four or more busses per hour during commute times are now eligible for incentives that boost heightened density and eliminate parking requirements. But in spite of all these changes, without quality transit, people will over rely on automobiles, choke the very roads that these busses operate on, and limit people's mobility. That's a vicious cycle for transportation, and possibly, you know better than I, for the long term political viability of these housing density bonuses. You also know better than I how to interpret national politics, but last week's election results may mean less federal funding for rail transit projects in California. That leaves bus only lanes and bus rapid transit, which can be developed at a much lower cost than rail transit, as the most cost effective solution for curbing the vicious cycle of declining speeds and ridership and increased auto dependence.

This is a relatively new opportunity for California. Bus-only lanes have only been as effective as they are enforced, and past deployments in Los Angeles have been choked with violators.

Camera-based enforcement of bus-only lanes is now permitted in California as a result of AB-917 (Bloom) and is being deployed in Los Angeles as we speak. But other legislative actions are needed to improve the quality of bus transit throughout California. Deploying more bus-only lanes and shade and lighting at bus stops. The Transit Transformation Task Force, established by the 2023 budget trailer bill SB-125, is working to develop these recommendations. Last year, CalSTA appointed 25 members to the task force, and by next October, CalSTA will submit a report of findings and policy recommendations to the legislature based on the task force efforts. As a preview of this report, the following recommendations related to permitting were approved by the task force at our August 29 meeting. B-1: allow for exemption or preemption of local and state permitting requirements on identified transit priority routes. And B-3: establish a by-right permitting mechanism for transit infrastructure, bus shelters, transit priority, transit signal priority, et cetera inside each city and on the state highway network.

In Speed, Reeves' character saves the day by getting people off the bus. Our task is to do exactly the opposite, get people on the bus again. Thank you.

[Chair Wicks](#)

Thank you. Now go to Laura Tolkoff.

[Laura Tolkoff, SPUR](#)

Good afternoon, Chair Wicks, Mr. Carrillo. My name is Laura Tolkoff. I'm the Transportation Policy Director for SPUR. SPUR is a nonprofit public policy organization that works to make the San Francisco Bay Area more sustainable, equitable, and prosperous through research, education, and advocacy.

With the election behind us, everything we do in California now takes on the undertones of resistance and refuge. We can resist policy attacks in the courts, but we cannot be a refuge unless we have the homes and infrastructure that we need so that more people can live here freely. So 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. Today, I'm going to focus on two permitting issues. One is environmental review, and the second is discretionary permits.

First: environmental review. The CEQA Environmental Impact Review, as you know, is the basis for many state and local approvals needed to build and deliver a transit project or sustainable transportation project like a sidewalk. 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. As you know, each step in the process is subject to appeals and lawsuits that can increase project costs and create delays, but acknowledging that we need more climate-friendly ways to get

around, the legislature recently exempted active transportation projects and some types of transit projects from this onerous and litigious part of project delivery.

In 2020 the California legislature passed SB-288 which temporarily exempted sustainable transportation projects in urbanized areas from CEQA. A year later, the legislature extended the exemption through 2030. 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. SPUR analyzed the exemptions filed with the Governor's Office of Land Use and Climate Innovation, formally OPR, between January 2021—when the laws went into effect—and August 2024, and we found that local jurisdiction state agencies and public transit agencies have used this exemption to deliver and speed up 92 projects across the state, making them hit the ground more quickly and cost effectively. These include everything from ADA curb cuts to bus ways to readying maintenance facilities for zero-emission busses. So to keep this momentum going, we recommend that the legislature make the CEQA exemption for transit and active transportation permanent, as it sunsets in 2030.

The second issue I'm going to talk about is around the discretionary permitting process. With the exception of San Francisco MTA, transit operators do not own the right-of-way that they operate in, and this means that they need permission from local jurisdictions and state agencies with purview over that right-of-way. There's a few things that commonly happen in the permitting process, some of which are very similar to what happens in the world of housing.

The first is that 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. In the case of AC Transit's Temple Line on International Boulevard, the upscale community of Temescal in Oakland required AC Transit to study several different and less effective project alternatives before ultimately rejecting the project and clearing the path to scale it down from 16 miles to nine miles, which also had the effect of undermining the goals of connecting the lowest income residents in the East Bay to opportunities in Berkeley, which further perpetuated inequities in access and mobility.

Second, 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. And so this is another example of where we see goals getting translated into subjective interpretations of aesthetics and preferences rather than objective, easy-to-reference, performance-based requirements. And what you see is that, like in housing, you see a few people having outsized influence over the projects. 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.

Three, the discretionary review process can have the effect of significantly delaying projects for several reasons, intentionally or unintentionally. In some cases, local jurisdictions simply do not have a single point of contact. In others, it is simply just not a priority relative to their own public works projects. Whatever the source of the delay is, the broader issue is that transit agencies have little or no ability to compel a jurisdiction to issue a permit to the transit agency or their contractor, which increases construction costs and delays. For that reason, we recommend that the legislature expand the Permit Streamlining Act to transit projects so that transit projects are eligible for expedited review. This would set clear and binding timelines for the review of permit applications and appropriately designate and assign project risks to the responsible parties.

Finally, I'd be remiss if I did not also point out that 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. The California Environmental Quality Act allows for projects that are harmful to the environment, wildlife, or people to proceed even when those harms cannot be mitigated, by issuing a statement of overriding consideration, which has been used dozens of times by Caltrans in recent years to construct and expand highways. Said another way, 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. Our hope is that the legislature will make it just as easy, if not easier, to build transit and sustainable transportation.

In summary, we recommend four actions that the legislature could take to improve transit permitting. One: remove the threat of litigation, make the CEQA exemption for transit and sustainable transportation permanent. Two: improve transparency, require local jurisdictions and state agencies to clearly and publicly post their policies and requirements necessary to gain approval and standardize these when possible. This third piece on standardization is requiring those jurisdictions to use objective design standards rather than subjective requirements and a clear and uniform application. Four: improved speed, this requires setting clear and binding timelines and shifting the risk of delays to the reviewer, rather than the transit agencies.

Thank you so much for your time. I'm happy to answer any questions you may have.

Chair Wicks

Thank you. Appreciate it. We will have questions. Now I believe we're going to Rose Casey.

Rose Casey, Orange County Transportation Authority

Good afternoon, Chair Wicks and select committee members, Assemblymember Carrillo. I'm Rose Casey, Executive Director of Planning at the Orange County Transportation Authority. We appreciate the opportunity to talk with you today about OCTA's significant responsibilities and efforts to enhance transit service, and discuss project examples where we have faced challenges with utilities and are currently dealing with permit processing issues and lengthy timeframes.

So I'd like to first provide you with an overview of OCTA. We are one of three multimodal transportation agencies in the state. Of our \$1.7 billion budget, half of that is dedicated to transit. We administer a half cent transportation sales tax measure, and are on track to deliver on all of our commitments to the voters. We operate the county-wide bus and paratransit system that spans 34 cities with over 400 vehicles. And we're very pleased to say that we recently surpassed pre-pandemic ridership levels. We are a member of Metrolink and LOSSAN Joint Powers Authorities that uses the LOSSAN corridor, owning 40-plus miles of rail corridor in Orange County, and we've invested more than \$2.1 billion in the rail corridor and on Metrolink service to date. And finally, we're the transportation planning agency for Orange County with significant experience in capital project delivery.

So one of our key transit projects we'd like to highlight in this discussion is the Orange County streetcar. We're building the first modern electric streetcar in Orange County, which will serve some of Orange County's most disadvantaged communities, traveling through the dense downtown area of Santa Ana and connecting to Garden Grove. This project was pioneered by the local cities through OCTA's sales tax measure program, representing a true bottoms up approach to addressing community transportation needs. It's funded through a combination of local, state, and federal resources. The many project benefits include improved transit connectivity to the region's commuter passenger rail services and enhanced access to employment centers, social services, housing, education, and other key destinations; improved transit accessibility for transit-dependent communities; increased transportation options for short local trips; improved air quality within the project area by reducing dependency on automobiles. But unfortunately, we've encountered several challenges related to the project, one of which is related to utilities. Due to utility conflicts and also Southern California's work needed to energize the various streetcar systems, we've encountered a total delay of more than a year. So unfortunately, what this has resulted in is not providing the streetcar for the public to use for over a year, not to mention the high costs of contractor-related delay costs.

There's another issue that I wanted to bring to your attention, and that is that Southern California Edison and Southern California Gas have initiated litigation regarding the liability for relocation costs. These utilities have repeatedly filed lawsuits against transit agencies attempting to establish legal precedents. And what this relates to is that the utilities argue that

existing utilities within public way under franchise agreement should be considered as valuable real property and afforded all such rights, including relocation costs to be borne by the public agency. This is absorbing extensive legal resources and tying up millions of dollars in dispute agreements to facilitate the relocation. The utilities have not prevailed in these cases to date, including their appeal to the Ninth Circuit Court of Appeals, and they are now working to appeal the case to the US Supreme Court. This is a state law issue and could be clarified in statute.

Next, I'd like to talk about the LOSSAN rail corridor and challenges we are facing with obtaining permits for measures to deal with imminent threat to maintain operations in this vital corridor. OCTA is the right-of-way owner for seven miles of the coastal rail line in South Orange County. Most of the stretch of the rail line is approximately 200 feet or less from the coastline. Over the past three years, the coastal rail line corridor operations have been adversely affected by the processes of coastal bluff erosion, beach loss, revetment loss, and bluff failures. OCTA is conducting a study to identify solutions in the near and mid-term, and we have identified four areas that need to be addressed immediately ahead of the next winter storms. We are proposing a project to reinforce the failing slopes below the rail corridor to avoid rail service disruptions and infrastructure damage that can lead to unsafe conditions for rail passengers and freight alike. Rail service suspensions over the past three years have resulted in nearly one year of closure. This has significant impacts on communities and shifts more people to drive in single-occupancy vehicles. It is important to avoid these kinds of events in the future, as reliability is an important indicator of the public's willingness to use transit. So far, OCTA has been able to remediate these events under the emergency permitting processes. Emergency permits enabled us to address the issue immediately. However, with the current identified hot spots, OCTA is required to go through the regular permitting processes, which means we must complete environmental studies and other analyses before permit can be obtained from the Coastal Commission.

OCTA cannot use the emergency permitting process because there is not currently an active emergency, but OCTA believes there is an impending one. We must work through the coastal development permit process, CEQA, possible leasing of land, and work with federal agencies to obtain the permits necessary before construction can begin. We have been successful—good news—in securing a substantial amount of funding, but despite having all of the funding now for design and construction, we cannot move forward until these permits are secured. These permits could take more than a year between the environmental studies and the permitting process. So with the winter season ahead of us, we need the permitting process to be expedited so we do not experience further rail service suspensions.

Throughout this process, we've encountered several challenges, including lack of certainty of timing for permit approvals. 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.

So given this experience, I'd like to offer some thoughts on potential solutions for complex transportation permitting 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. Thank you for including us in this important discussion.

Chair Wicks

Thank you very much, and we will go to our last speaker. Carter Rubin?

Carter Rubin, Natural Resources Defense Council

Thank you, Chair Wicks and committee members. I appreciate the invitation to be here today. My name is Carter Rubin, and I serve as the Director of Transportation Advocacy at the Natural Resources Defense Council. NRDC advocates across California for sustainable transportation investments, including public transit, active transportation, and EV charging infrastructure. Appreciate the chance to share my perspective on the opportunities to accelerate the deployment of these types of projects so that we can meet our climate goals, improve public health, advance equity, and increase access to economic opportunity.

My remarks, I think, are going to cover three topics. One is, I'd like to touch on the state of the transportation project pipeline, and what's out there that's seeking permits. Two, discuss some of the streamlining already in place. And three, touch on one area that continues to be a barrier for delivering more sustainable transportation projects.

To connect what we're discussing here now to the previous panel, one of the great benefits of investing in public transit is that it creates more housing opportunities. The legislature and local governments have passed several laws and ordinances that encourage more affordable housing and greater density in neighborhoods that are close to—quote—major transit stops, which are usually defined in statute as a rail stop, bus rapid transit stop, or the intersection of

multiple frequent bus lines. So the more we can do to bring online more major transit stops by investing in those kinds of projects, the more communities can enjoy the benefits of more homes.

Unfortunately, we are simply not building the clean transportation system at the scale and speed that we need to reach our climate goals. A 2022 report from the Strategic Growth Council put it bluntly, \$30 billion is spent annually across California maintaining and expanding transportation. But—quote—there is a gap between the vision for a more climate friendly and equitable transportation system, on one hand, and actions and infrastructure spending decisions on the other hand. Further, the SGC said—quote—projects in the pipeline are rarely reevaluated to assess their alignment with current state priorities. In other words, simply streamlining everything in the transportation pipeline would almost certainly lead to an increase in highway expansion projects that would be working at cross-purposes with our climate goals.

Fortunately, as Laura mentioned, the legislature has already taken steps to streamline more environmentally friendly transportation projects, and CEQA remains an essential public participation tool on major highway projects. Our understanding is that there are over 200 major highway expansion projects still in the pipeline across California, and we need strong environmental laws to ensure that Caltrans and its partner agencies are properly analyzing and mitigating the impacts of projects like those that add more cars and trucks to the roads and thus pollution to communities already carved up by the first era of highway construction. So we would recommend that this committee consider opportunities to encourage Caltrans and local project sponsors to be rethinking some of these harmful highway expansion projects, to instead focus on delivering multimodal transit and active transportation projects that can take advantage, on one hand, of existing statutory streamlining, and on the other also support state housing goals in the ways I mentioned.

Another area that is ripe for reform is how Caltrans engages with local governments on sustainable mobility projects that overlap with Caltrans-owned corridors. 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 is also the case if a city or transit agency wants to make improvements directly to one of the many state highways that look and feel like a surface street in a community, such as International Boulevard in Oakland or Lincoln Boulevard in Los Angeles, and dozens more. Based on my experience talking to local project sponsors and my prior job at the City of Los Angeles, 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. Basically a local street that crosses over a freeway on a bridge, that part that is over the freeway requires a Caltrans encroachment permit to do anything—the city wants to do something to what's really its street to control. 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.

When I worked at the City of Los Angeles, I managed a project on Venice Boulevard, which was then State Route 187. We had the enthusiastic support of the mayor and the local council member to transform Venice from a seven-lane, high speed arterial into a more walkable, community-centric main street in Mar Vista. From the get go, the consensus from the city department staff was we should just try to get the corridor relinquished to us from Caltrans, rather than go through this encroachment process, which felt like it could be a dead end. So that's what we did. We designed the project the way the community wanted it, and then we pursued a legislative relinquishment, and now Venice Boulevard is under the control of the City, and the project was built and has been successful in decreasing collisions, increasing active transportation and transit ridership, and increasing economic activity. So the project was a win, and we basically proceeded by working around Caltrans and the challenges it faces.

Legislative relinquishment, though, is not the right fit for every community. Not every city can take it on, and the maintenance responsibility that comes with it. 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-960 from Senator Weiner was signed into law this past session and will begin to address this issue. It requires Caltrans to prioritize complete streets projects, and it also puts in place a more organized encroachment permit review process for complete streets projects that are sponsored by a local jurisdiction or transit agency. It requires Caltrans to designate an encroachment permit manager in each of the Caltrans District offices who has expertise in bicycle, pedestrian, and transit priority projects to better coordinate this review process, and it would require Caltrans to follow a 60-day shot clock to approve or deny a completed application, or else the application would be deemed approved. This bill would also require Caltrans to report out regularly on how the process is going.

So we're encouraged that these reforms are on the way, and we would appreciate the legislature's continued oversight to ensure that SB-960 implementation is working effectively, and Caltrans is engaging with local governments to deliver complete streets projects. So we think these efforts will ensure we can build the right kinds of projects at the speed necessary to clean our air and give Californians more convenient, safe, and affordable ways to get around. Thanks very much.

Chair Wicks

Thank you. Thank you for presenting. Before we get to questions, one of the presenters was unable to be here today, and I was just going to read some quick points from her presentation. Lisa Reinheimer, Deputy CEO of the Monterey Salinas Transit, MST, was going to discuss the Monterey Salinas Transit. What it serves—it serves the tourism economy, Monterey Bay Aquarium, Pebble Beach area, the agricultural economy, Salinas Valley with its salad and wine production, grows artichokes, many other vegetables. And the local economy, hospitality workers at hotels, restaurants, healthcare workers, et cetera. 77% of the MST riders have an annual household income of less than \$40,000. 75% of MST riders are minority or non-white.

The traffic problems that exist in this region seem to be pretty severe from this memo. The commute patterns slow travel to a halt, essentially from the 7am to 9am hour. So she lists through some very significant traffic issues. So the solution for this, coming from the local community, is the surf busway and bus rapid transit project, a BRT project, which would include six miles of new busway or road for busses only located on an abandoned rail line parallel to Highway 1 traffic with traffic signal priorities, three new transit stations, a multimodal mobility hub, multimodal trails, and a contactless fare collection. So six miles is what they are attempting to do. Transit riders will see their trips reduced significantly in time with better and more frequent service and reliability.

MST used SB-288 CEQA exemption in July 2021, SB-922 exemption in March of 2023, final design permitting began in late 2021, and continues today. There are over 40 permits or third party agreements needed for the project. The permitting challenges are as follows: agencies issuing permits for the surf project are three local jurisdictions, Caltrans, California Coastal Commission, and the Federal Transit Administration oversight. So two local jurisdictions require a tree removal permit, coastal development permit, grading, building, electrical, storm water, et cetera permits with multi rounds of review. MST submitted final plans in early 2024 and we're still working with the cities on these permits. The third jurisdiction only requires an encroachment permit. There appears to be an inherent bias in city code ordinances and regulations which treat public transit infrastructure projects as if the projects were private development, not a public works project, which I think we heard others reflect that as well.

Two, Caltrans streamlined DER process began in spring of 2023. We are pending Caltrans encroachment permit and DER signature this week. There are 20 Caltrans representatives who reviewed the plans and documentations. Some comments conflicted with others. At times, it seemed as though the projects were caught in an endless feedback loop with Caltrans staffing changes and new eyes reviewing plans.

Third issue, the California Coastal Development Permit, took 18 months with over 800 pages of documentation and justification, evaluation of over a dozen feasible and infeasible alternatives, and a considerable amount of political influence to approve the project in the coastal zone. Coastal Commission goals include access to the coast, GHG reductions to combat sea level rise, environmental justice, and transit to the coast. With the approval of the CDP, there are several prior-to-construction conditions that are continuing to delay start of construction.

The fourth issue, the Federal Transit Administration is also involved, and comes with its own challenges. There appear to be a higher level of scrutiny and documentation for transit projects when it comes with the Federal Highway and roadway projects. With the new federal administration, we are working with our FDA partners to secure the Small Starts grant agreement before the new Trump administration is sworn into office on January 20, 2025.

In conclusion, it should not take this long and be so difficult to deliver a project which aligns with dozens of statewide goals, policies, and funding programs to reduce GHG emissions, incentivize infill development, construction, affordable housing, and grow transit ridership.

So I thought I'd put that in the record, because I think it reflects some of the other things that we've discussed here today in terms of transit. I have some questions, but I want to defer to my colleague here, Mr. Carrillo to see if he has questions first.

Assemblymember Juan Carrillo

Thank you. Thank you for the presentations. For Ms. Rose, I understood that Southern California Edison and so called gas, are utility companies that are getting in the way of the transit system. I'd like to reach out to you afterwards for me to learn more about that issue, and I'm sure has to do with encroaching into their easements. That's the reason why? Okay, okay, well, maybe we can talk about that offline after this, so I can learn more.

In terms of Caltrans—I was getting worried, nobody mentioned Caltrans until you did—that seems to be a common problem, too, and we did have to do the same thing in Palmdale, take Highway 138 and give it to the City of Palmdale for those specific reasons, because it takes a long time to get through their permitting process, and that is something that deters developers from improving arterials right across in the middle of cities.

Just in closing, I think that we've heard over and over again the troubles with CEQA. That's something that I've known for a while, something that some of us have been very vocal about this. And I really think that we should really consider—maybe I should speak for myself—should consider really doing something about it. Because the quality of life of our residents in California is really detrimental when the delays that go for months and years on simple things like trying to improve the quality of life of transit-related projects, for instance, things that I would really consider deeply to see how we can work together to make sure that we actually really improve the quality of life of Californians.

Somebody mentioned on the elections earlier today, maybe this panel did, something that I really have to think about, because I feel that I have to deliver for my constituency, and I'm speaking for myself, but it's something that I think we should all in the legislature be very mindful of how this election last Tuesday resulted, because I feel that I have to deliver. We have to deliver for Californians in all aspects, not only on the issues that this panel's focusing on—housing, transportation, energy, insurance, you name it. Those are things that I believe we have to really deliver on, because we're just not being... I'm not being truthful when I speak to my constituents about improving their quality of life in my district. It's something that, again, I think we should consider, because these are real issues, real concerns. And what happened last Tuesday, I think it's something that we in California should really take serious about because I have to deliver, and all of you do as well as agencies, because you also serve the residents of the agencies that you represent.

And again, I just been redundant. I realize that, but we have to be really seriously think about how we can deliver. And I should end it as that. I'm sure that the next select committee hearing, CEQA will come up again, as it has been in this third hearing. And I really thank you for the time that you put into it, making us aware of the real issues, which I'm not surprised. But again, Madam Chair, thank you again for having me.

Chair Wicks

Thank you, Mr. Carrillo. Well, thank you. For the panelists, I do have some questions. I will say, I don't know, maybe a year ago, I went on a housing and transit trip to London and Paris—get inspiration, learn from others, see mistakes and successes, and all the other things. And I remember, there's a delegation of us, and we sat down with the one of the transit agency leads in Paris, who said that they were in the process of building 68 new metro stops. And like, my draw dropped, because I'm thinking, in the Bay Area, like to build one BART stop, like, one BART stop is a herculean effort, and they're going to build 68 and they're in the process of building 68. So I know we went there for inspiration, but it came back a little bit like, oh my gosh, how do we do all of this, right?

But it was important to see, obviously, I know there's a different tax base, and there's other pieces to that equation, so I don't want to... it's not quite apples to apples. But it did spark for me, and I think for many of us, you know, we want to have nice things too. You know, we want to be able to have reliable public transportation. We want to reduce our, you know, greenhouse gas emissions. We want to be able to have, you know, housing and transit interconnected, because it really impacts quality of life issues, right? It impacts our environment. You know, in Paris, they do this 15-minute city. We were driving around LA today, not a 15 minute city. Although there's different pockets, and I know it's, I love my LA and LA colleagues, so I'm not disparaging. But, you know, I think it begs the question of, how can we—to I think Mr. Carrillo's point—we have to deliver for our constituents, and I think that's really critical.

You all laid out some, I think, very important and concrete ideas and policy reform suggestions. So thank you for doing that. We're always looking for ideas. I was jotting down some of them I would love to get your take on, you know, and maybe Rose and Laura in particular, some of the things that you outlined, and others who want to jump in too. But from your perspective, what is the opposition to that? Is it just bureaucracy and inertia? Is it a lack of leadership? Is any of this politically controversial? Are there labor issues? Are there environmental issues? Are there, like, where are the constituencies and the concerns? And I'd love for you to speak as candidly as you're willing to on the record of the hearing, just so we can get a sense of, you know, what is the challenge to making this a more streamlined... particularly we're talking about public transportation projects, right? So I'd love to hear your thoughts on what you think the true opposition is.

Rose Casey, Orange County Transportation Authority

I would be happy to start, if that's okay, focusing in on the LOSSAN rail corridor and the challenges we're having there. I think it's amazing when I, when I sit and think about it, how complicated permitting of sand and rock can be. But there are vast... there are opposite opinions on what the solutions should be. So whether you know there are sand only advocates, or those who say it should be a combination of the two, or those who say that, you know, there needs to be rock revetment placed and so forth. So that's one.

The other is, I think there's a lot of reliance on the current processes and the current permitting system and the definitions of what's an emergency. An emergency is once the service is suspended and shut down and not available for users. However, do we wait a winter season or two or more to get the permit to do the work and meanwhile, you know, have closures that affect the public. So I think it is important to recognize that it may not be an actual emergency shutdown of service, but it could happen at any moment, and when the weather conditions are such that it could very well happen at any moment, I think there needs to be a recognition of that.

I would just say that for this particular set of improvements, for the coastal rail resiliency, it's very unusual for project improvements to get full funding for design and construction when we are still in the environmental phase, and yet, that's what's occurred. So we are really thankful to the state and to the federal government for allocating that funding, but I think that shows the importance of moving ahead with these fixes and these preserving measures. So I think it's just, honestly, I think it's a reliance right now by the agencies on their definition of different types of permits. And right now, we fall into the standard permitting process.

[Laura Tolkoff, SPUR](#)

Thank you for the question. I would like to amend the question, if that's okay, that sometimes it's not always actually opposition. It's that we're not used to doing things this way.

[Chair Wicks](#)

Like sort of lack of imagination, almost, or just like—

[Laura Tolkoff, SPUR](#)

So Mr. Manville spoke about it earlier, that our systems are just not equipped to deliver on our policy goals that we've set out for ourselves. We have become accustomed to doing things a certain way for nearly 100 years, and now we have to adjust course. It's almost like we've made this decision as a family to go to Hawaii but we ended up buying our tickets to New York, and so at a certain point, we have to exchange our tickets and get on a different flight.

And so it's not always really direct opposition, but it's the not so simple things like the fact that we spread our limited transit capital dollars around as opposed to fully funding a project and just getting it done. Instead of having to wait on multiple cycles from the federal government, the state government to be able to get something started. We just do not have a consistent tap that's on for transit—either on capital or operating—that provides the predictable source of

funding to get projects moving. We have not necessarily built the muscle around project delivery for some of the larger capital projects, and we do not have sort of that standardization and uniformity, where we just accept that certain types of projects are a public good and a public necessity, as opposed to a foreign agent, in a way, on our streets. And so I don't think it's opposition. It's that we just don't have the systems and the organizational infrastructure and the policies that get us all on that same flight.

Chair Wicks

That is the reason why we have this select committee. So thank you. Any other thoughts?

Carter Rubin, Natural Resources Defense Council

Yeah, if I could add to that. A mantra that comes up for me a lot is: state capacity rules everything around me. And it's a topic that's come up in the Transit Transformation Task Force. And I think if you look at the highway project delivery, Caltrans has been building highways for 100 years, and they have scores of engineers and environmental specialists and permitting people, and so they can just churn out highway projects. If you ask a transit agency to build a transit project, they might build a transit project once every two decades, and they're being approached to say, like, "Okay, now you have \$2 billion to build a rail line." They may not have quite the internal capacity in terms of project managers or experience delivering big capital projects. And so I'm excited to see what comes out of the Transformation Task Force in terms of recommendations around, how do we build up kind of this permanent institutional memory and capacity to deliver big capital projects? Not once in a blue moon, but where they're consistently funded to be building, you know, the 68 new station vision. That scale of transit delivery, rather than these sort of one offs, where you build it and you learn how to do it, and then you, you know, you don't do it for two decades, and everyone who used to be there has left the agency.

Chair Wicks

Right. You lose the institutional knowledge.

Carter Rubin, Natural Resources Defense Council

Right. Thank you.

Juan Matute, UCLA Institute of Transportation Studies

Yeah, developing that muscle memory in-house is important. We, the UCLA Institute of Transportation Studies, last month held a symposium on how Los Angeles can accelerate projects before the Olympics. And so we heard from people who talked about the approach that they took in Paris. And what struck me as being different is that there was more of a kind of a one government, like we're all in it together, we're cooperating, and they wanted to deliver something. Whereas the research in the United States on transit agencies and transit costs, that Eric Goldwyn of NYU did on the transit project, is that often there are inter-jurisdictional and sometimes intra-departmental issues within transit agencies that can be solved, or that are solved not through cooperation, but through decisions that increase capital

costs and timelines. And that seeing that as...whatever that arises as a solution from, whether it's narrow interest capture of like, everybody's just defending their own turf and not wanting to change things because that could change their relative power, or it's just this lack of esprit de corps, of like everybody working together to deliver something and be accountable for it, like was the case in Paris, seems to be a root cause of both increased costs, timelines.

So there is this certain aspect of how we do things in the United States, and it's not just California, that is for transit capital projects in particular is driving up costs and timelines. And I do think it is because there's not necessarily the accountability of acknowledging tradeoffs, like if we spend this much on the Second Avenue Subway in New York is the one that gets the most criticism for this. If we spend this much on three stations, that means that the next three stations and serving the people who would benefit from that project is at least 10 years longer down the road, and that there doesn't seem to be an accountability function that points that out and leads to decisions changing that would, you know, make things change in the future. So I don't know if Paris has figured it out culturally, and we haven't, but it's probably worth looking towards what they do in order to accelerate things.

[Carter Rubin, Natural Resources Defense Council](#)

If I could just piggyback with maybe an illustration of this. If you're a transit agency and you're trying to permit a transit project in a community, oftentimes that community isn't... the permit review agency is tempted to say, well, we've always wanted to upgrade this top sign to a full traffic signal, and so, you know, we'll use this as an opportunity to ask the transit agency to fold this into the transportation project. And it may be the case that that local transit agency's board includes elected officials from the community that's permitting the project, so it's usually just the path of least resistance for the transit agency to kind of suck it up and say, "Okay, well, we'll fund that betterment." And as Juan said, there are tradeoffs, and so project costs escalate. And you know, instead of being an environment where the local government is saying, "Great, it's a new transit project, how can get this done ASAP?" It's sort of just becomes a Christmas tree to hang stuff that they want to add to their community on.

[Chair Wicks](#)

I'm familiar with this Christmas tree. Well, thank you all so much for joining today, we are going to now move to public comment. If folks want to line up over here. Appreciate the panel, thank you.

We'll give folks a second. I see some familiar faces in public comment.

Great, and we will take... if folks could take one to two minutes that would be helpful. We've got a lot of folks to get through. So appreciate your expeditious but important and profound comments. Take it away.

[Jennifer Hernandez, The Two Hundred for Home Ownership](#)

Thank you very much. Thanks very much. My name is Jennifer Hernandez. I am, among other things, of CEQA nerd, but I'm here representing The Two Hundred for Home Ownership, which is a civil rights organization. Also, I want to contrast a little bit from my background is now teaching environmental justice at USC Law School. Environmental Justice is an incredibly important part of a civil rights pie. There's other slices to the pie. People need to have attainable homeownership. They need access to good jobs, a decent education, upward mobility, healthcare. All of that comes down to the need for reasonable and affordable housing.

And so in the context of that housing pie, first, I want to just say, there's no replacement for home ownership. Median net worth right now of a homeowner is \$396,000. Median net worth of a renter is \$10,000. It is a brutal reality that unless we restore attainable home ownership to California, we have broken our housing market, and that's what we've done so far. Rental, infill, they're virtually equivalent. It's very, very challenging to do home ownership at scale, at density. And what we know for sure is from the Turner Center, infill-only not only doesn't work, it doesn't even pencil. 5-over-1s, without prevailing wage, without inclusionary, without EIRs, without lawsuits, with really low fees, with no relocation, no demo, those projects don't pencil almost anywhere in California.

And so we can't, respectfully, think about a housing permit reform solution that is infill-only. It's been a point raised by a few speakers, but we've just turned ourselves into pretzels thanks to your leadership, to make everybody do new housing elements. To make everybody account for affirmatively furthering fair housing. To make each city and county, almost none of whom, on a statewide basis, have four bus frequent transit lines. Everybody needs to help with housing, and permit reform needs to help everybody get to housing. So with respect and passion, we know we need to fix CEQA. We know—from David Rand's excellent remarks—changes, tweaks to the Permit Streamlining Act and Housing Accountability Act. We know from CARB we've only developed 6% of California. Massachusetts, New York, Connecticut, they've developed almost 40% of their states. 1% the 7% solution at the edges to allow for people to actually live again in the housing they want and can afford. That's an equity and civil rights issue, and I'd encourage the committee to think that through. Thank you very much.

[Chair Wicks](#)

Thank you.

[Mott Smith, Council of Infill Builders](#)

Thank you so much, Madam Chair and committee members for holding this today. My name is Mott Smith. I am the Chairman of the Council of Infill Builders. I'm also a small builder myself and a faculty member at the USC Price School. I'm not going to make the moral case for what you're doing, because I think you already have the moral case, and you're going to hear from a lot of people who are going to make it. I just wanted to offer a couple of practical recommendations, if I may.

The first one is, if you do absolutely nothing else, just copy and paste whatever San Diego does across the state. It worked for parking reform and I think, honestly, you know, today San Diego is issuing half of all building permits same-day. And the way they did it was not by doubling their staff, which is what you usually hear we need to do if you want to do better, it's they stopped doing half the things that were adding no value to the process. Because any... as a builder going through the process, I find that so many of the things that I do, where I submit an application and six months later I get it back, there's been no change. They just approved what I did, but it took them six months to do it. And any process where the output is the same as the input is a zero value process, and we should stop doing those things as a state.

Second thing I'll say, representing the infill builders, is we need as many—by the way, I forgot I'm also representing BizFed. Hello. The second thing we need to do is to look at impact fees, as you well know, and transfer taxes, which are not only housing killers, they're killing commercial projects, industrial projects, and they're not actually helping. They're not actually getting infrastructure built. And so more robust tools and a more robust—I love the way Juan Matute described this—more robust muscle at the local level for directly building public improvements, as opposed to needing a developer to show up, on whose backs you build these public improvements, would be a great change.

And then finally, I strongly urge you to make code simplification an explicit requirement, where as part of the triennial code review process, we're not just looking at things we can add to the code, but explicitly asking for things that we can remove from the code so that balancing costs is up there with balancing life, safety, and other good outcomes. So thank you so much.

[Chair Wicks](#)

Thank you.

[Chris Wilson, LA County Business Federation](#)

Good afternoon. My name is Chris Wilson with the LA County Business Federation. I serve as their Director of Advocacy for BizFed. We appreciate your collective leadership on working to streamline and rationalize—rationalize—our permitting process in California. We also appreciate today's co-topic on analyzing infill housing for permitting reform. And while it's an important one, we urge this committee to take under consideration permitting reform for greenfield development, single-family development, transit-oriented development, multifamily development, which, according to studies, California lags behind states like Washington and Texas.

And infill housing-only, or an affordable housing-only, approach is not the cure-all to solve the housing policy crisis. We must cut red tape for all housing development projects to move forward. We believe California can conduct reasonable environmental reviews that provide for meaningful community input. However, it shouldn't take longer to get a decision about a permit than it does to actually construct a project. We also urge this committee to take a look at the following considerations. Once a project permit is granted, no new impact fees can be

added, and if the building codes or environmental regulations are changed, they shall not apply to projects that have already been greenlighted. Again, if we truly want to reform our permits here in California, we need to have a holistic approach and inventory of what is working and what is not, in terms of building projects without delay and as fast as possible. Thank you.

[Chair Wicks](#)

Thank you.

[Arnie Corlin, Department Owner Association & Los Angeles South Chamber of Commerce](#)

Good afternoon, Assemblymembers. Thank you for holding this hearing. My name is Arnie Corlin, and I'm also another member of BizFed, where I represent Department Owner Association as well as Los Angeles South Chamber of Commerce. For my day job, I'm a rental property owner and a developer, where I primarily developed in South LA. I no longer develop in South LA. I was one of a collective of a group of what I called bootstrap developers. There were dozens of us who hired from the community, irrespective of the backgrounds. Some of those individuals went on to start their own businesses. They would actually purchase some of the homes from us, because it's really about the will, and how do we—we seem to focus more on cost than on value. And again, some of the same reasons that we will no longer develop in California is because some of the very reasons you've heard today. And now those individuals, for example, even though we had the CEQA challenges as one of the problems, those individuals that worked for us didn't belong to a union, yet they were able to ultimately purchase their own homes or other units that were with us. So we were building those 1-to-4s. There still is enough infill in South Los Angeles and some of south of the 10 freeway to make infill development of 1,000s of units. Well, we need all of the options on the table. But please consider doing this with urgency. Thank you.

[Chair Wicks](#)

Thank you.

[Joseph Cohen May, Los Angeles Housing Production Institute](#)

Hello. Thank you for holding this. My name is Joseph Cohen May. I am Los Angeles Housing Production Institute. I have notes on the whole smorgasbord of different topics, so I'll just go through them. One thing is, I appreciate Dave Rand bringing up the Permit Streamlining Act. That's super important and needs some reforms. One thing I want to mention is that Permit Streamlining Act, most of it actually doesn't apply to by-right projects. And that's an easy fix that will help accelerate by-right projects, is if the timelines apply not only to non-ministerial projects.

I'd like to talk a bit about post-entitlement permitting timelines. There's a lot of talk about the entitlement process, but post-entitlement permitting the timelines have become longer and longer, and that adds a lot of cost and risk for development. In LA, post-entitlement permitting timelines, the data that I've looked at, I think for apartment projects, it really is much longer

than the data that gets reported to HCD. It often is taking a year or two after entitlements are granted for a project to be able to get a building permit. For comparison, in a lot of European countries, cities are required to issue building permits within eight to 12 weeks. Texas recently passed a law that if a city doesn't issue a building permit within 45 days, the developer can hire a private company to conduct reviews. And those might be some approaches to look into.

In LA specifically, departmental clearances are a major source of delays, and even if there was deadlines for permitting, the clearance problem needs to be solved. I don't have a solution for that, but that's something that should be discussed. It can take months to get sign-off from a department when the actual work that they need to do is like a five minute task. And that's another thing that, just, the timelines keep on getting longer and longer. You know, 10 years ago, this wasn't the case.

Utility connections are a major source of delays, was brought up. But one thing I want to mention is LADWP isn't regulated by Utilities Commission, so there's no state oversight of LADWP. So there was no accountability if they are delaying the electrifying of a project. There's no process to go to a regulatory body and bring up or get changes made, and that that is a huge issue.

Inspection timelines is also another issue that that vary city to city, but especially in some smaller cities. Condo subdivisions, if you want to build for-sale housing—the exact same project you want to build as a condo, it is likely going to take an additional year or two of approval versus building as an apartment building. And we talk about making home ownership feasible, we need to, like, get rid of that extra time. It shouldn't take longer for a condo project than if the exact same project is an apartment project. And that also triggers CEQA, for a project that would normally be exempt from CEQA, potentially can get triggered CEQA just because of a condo subdivision. Another big source of delays for condo projects is that the state has to approve the condo subdivision before they can do condo sales. And that process is another thing where it's just taking longer and longer and less efficient. And during state capacity, it's an issue where we don't have state capacity.

With state capacity, we're seeing the same issues with Metro. With projects like the Sepulveda Line was originally supposed to be completed by the Olympics. They're not even going to break ground by the Olympics. They haven't completed the EIR for that. Timelines are getting longer and longer, and with Metro, I would love to see in-house expertise being built, instead of everything going out, contracting out to consultants, either at Caltrans, and applying to all the different transit agencies, or in Metro specifically. And I think that will ultimately save the agency and save the state a lot of money. Thank you very much.

[Chair Wicks](#)

Thank you.

[Kirsten Bladh, Streets for All](#)

Hi. My name is Kirsten Bladh. I'm Associate Director of State Policy for Streets for All, and I just wanted to talk about how our housing crisis is really harming our transit systems and our transit ridership. Someone earlier, I think, mentioned how our housing crisis is causing a migration of people from California to places like Texas. But we also need to look at the population migration that's happening within our state, because all of the cities that are losing population are in our most transit-rich counties, and all of the cities that are growing the fastest are in places that have zero major transit stops.

So for example, in Assemblymember Carrillo's district, Victorville is one of the fastest growing cities in our state. They do not have the transit to support that growth, which means everyone who moves there is driving for every trip, which is hurting the air quality in those areas. And now, Victorville has more people than Pasadena. Pasadena has six LA Metro stations. That's where we should be seeing more growth. And so our transit ridership is never going to grow if we are forcing people out to cities that don't have transit. And that's just cementing, you know, another generation of car dependency for California. Thank you.

[Chair Wicks](#)

Thank you.

[Marc Vukceвич, Streets for All](#)

Good afternoon, everyone. Marc Vukceвич, Director of State Policy for Streets for All. I want to just make a few points that kind of convey the scale of this issue, because I think all the presenters brought up a lot of expertise, but I just want to mention—so, the LOSSAN rail corridor, for some of you who maybe are not from the SoCal region. I took it today to get here from Orange County. It's the second busiest rail corridor in the country, behind the Northeast Corridor. It serves as a STRACNET rail corridor for the Marine Corps. It is used for freight. And it's falling into the ocean, and our agencies are telling us that they can't do anything about it. I want to just stress how important that is.

I also want to stress that even on the building transit side, in France right now, costs about 300 million US dollars per mile to build subway. Spain, it's about 250 million US dollars per mile. In the US, it's 1.2 billion per mile to build a subway line. And it's not that we don't have smart people in this country. It's that we're failing in a lot of different ways. When I was in the army, we had a phrase called "good idea fairies." And what would happen is that a leader had a good idea, and there was general consensus on that idea, and then you'd have all these people say, "Well, I have a good idea that's going to improve that." "I'm going to have a good idea that improves that." And by the end of that process, you fail the mission, because everyone's good idea mars the actual end outcome. And the problem with our environment is we don't actually only have good idea fairies. We have other people who are actually trying to fight these projects. Who are trying to hold them hostage and say that you're not allowed to build this subway project unless you build this park, unless you build this parking lot, unless you build this right turn lane. And all of that adds up to these huge and massive cost delays,

because our government can't work together with itself, and that's the system and the environment that we've built.

The last thing I want to say is that we're also lacking some expertise. Or I should say we need to shift expertise. So you know, one of the main things that transit project agencies suffer with when they're first building, because they don't have this expertise, is they oftentimes under-invest in utility relocation, which causes major issues down the line. But in many ways, you can't blame them. They haven't built a mega-infrastructure project before. But the problem is, is that they may not have that utility relocation expertise. You know who does? Caltrans. Our agencies that have been building highways and mega-infrastructure like highways for decades and decades. So we need to use the expertise that we have in this state to implement the things that we actually want in the State of California. We need to ask ourselves if this convoluted process is leading to a more equitable outcome. And I think the answer is no. Thank you.

[Chair Wicks](#)

Thank you.

[Jordan Panana Carbajal, California YIMBY](#)

Good afternoon, Madam Chair and members of the committee. Senator Juan Carrillo. My name is Jordan Panana Carbajal, Government Affairs Manager for California YIMBY. We first want to thank you and your staff for prioritizing this issue and convening this committee. We really want to state that permitting delays are a major hurdle to building housing in California. Developers and homeowners have shared that securing a permit to build can take months and sometimes years. According to HCD's APR data, securing a permit in California for fully entitled multifamily development takes, on average, 272 days. These delays increase the cost of building in California and undermine the recent efforts that have been undertaken to speed up the entitlement process.

And California is here as a resource to address the critical barrier to construction. Our team has conducted research into potential solutions, such as allowing applicants to hire third party plan reviewers or inspectors of cities or counties delay, or did not make the timeline and did not provide the permit in a timely matter. And this is just one of the many ideas around this issue, and we're happy to talk to any member or staff to continue the conversation on this. Thank you so much.

[Chair Wicks](#)

Thank you.

[Elissa Diaz, Los Angeles Area Chamber of Commerce](#)

Good afternoon, Chair Wicks and Assemblymember Carrillo. Thank you for the opportunity to comment today on this important hearing. My name is Elissa Diaz, Senior Policy Manager at the Los Angeles Area Chamber of Commerce, representing over 1,400 members in the region. The Chamber strongly supports process modernization to streamline permitting, coordinate

funding, and incentivize the timely implementation of projects across the state. An advanced infrastructure that meets the growing needs of LA, the state, and the nation will incorporate all energy sources, new EV and AV technology, and modernize our water and electricity systems to ensure reliability and increase affordability.

The chamber also supports policies that will increase mobility, relieve congestion, and expand alternative commute options. It's also necessary that we discuss goods movement in this conversation regarding sustainable transportation. We need smart regulations that facilitate the effective and efficient movement of goods through our ports, such as zero-emission trucks, charging and fueling infrastructure, and grid enhancements to ensure long-term reliability. In fact, the Port of Los Angeles is in the midst of a \$500 million build-out of its electric grid to support 100% zero-emissions operations.

Further, over the next four years, the LA region and the State will be preparing for multiple global events, as mentioned, the 2028 Olympic and Paralympic Games. It's important now more than ever that we work together to ensure accelerated delivery of planned transportation projects for both visitors to the region and Californians. Any policy implementation must match available government-provided funding, commercially available technology, and state-provided infrastructure to make implementation feasible. Additionally, we support all housing at all levels, and believe Angelenos and Californians should be able to live near where they work. Thank you for the opportunity.

Chair Wicks

Thank you.

Ekta Naik, SoLa Impact

Hi. My name is Ekta Naik, and I'm with SoLa Impact. We are number one affordable housing developer in the State of California and number 16 multifamily developer in the nation. We bring private capital to the table to build much needed affordable housing, which means we do not use any taxpayer's money or public financing. We're very encouraged by this initiative, and Madam Chair, we really thank you for your efforts in leading this reform. We have over 30 projects in the pipeline, anywhere between design phase to permitting phase to projects getting ready to, you know, pull permits all the way through under construction, and fingers crossed, if I get LADWP building energized, you know, I might be getting my TCO tomorrow.

That said, to address the affordable housing crises that we face as a nation and the State, we really need to encourage innovative construction techniques, one being modular housing. We need a standardized, State-approved modular unit plan that doesn't need re-plan checking for each project, very similar to the ADU initiative. We currently have six projects, four of which are in plan check and two of which are under construction. And on all those projects, we're using exactly the same module over and over, but each project gets plan checked by a different plan checker, and we still go to three rounds of plan check. Of course, the City also loves to plan

check. You know, while that is governed by the State, I think there's a lot more education that needs to happen around modular housing.

The second is, I think it'd be great to have, like, a digital plan check process in all the cities to really cut the plan check timelines that a lot of my colleagues over here have reported about. If we can develop something very similar to Title 24—Title 24 which is the State's, you know, process of approving mechanical plans—it would cut... Creating a software that automatically reviews and passes or fails the plans will unleash around 10,000 plus units, just in City of LA itself. The state should be auditing cities' plan check, permitting, and inspection processes with the same level of rigor as cities' entitlement and housing element compliance. While there's a lot of ways we can parallel plan check through different departments, it's really not happening. For lack of better words, a lot of departments have alligator arms. You know, they don't want to put their stamp first until the others have, and nobody wants to put the stamp first. And that really stretches the process. Somebody said it's a five-minute job, but it stretches the plan check process for over five months, because nobody's willing to put that stamp first.

The other one is approved building plans should be the bible. Inspectors should not have the authority to interpret the code and request on-the-fly changes on-site at their discretion and interpretation during construction. They should be forced to only inspect against the approved plans. And one such example is on a project that we build: Triple Main. At the 11th hour, Fire Department asked us to add a third exit stairwell, which would delete a whole stop. This is 11th hour—I had construction financing lined up, GC ready to go, and that delayed the project by four months. They made us change the lobby to a different lobby, changed the street names, all of that, we did all that to get the plans approved. And now during construction, the inspector made us undo all of that that they made us do. So four months of delay during permitting, and another six months of delay now. So we really need to streamline how the inspectors review the plans, and they should abide by the approved plans.

The other one is one of our projects, waivers were denied without notice and on false justification. We were forced to add a 14-foot tall ceiling on the ground floor on 100% affordable housing project. That increased the cost by \$2 million and extended the timeline by eight months, because now I have to go back and plan check everything.

And one more point. I'm not going to take a lot of you guys' this time, but a lot of folks mentioned LADWP utilities. Being all in sync, on one such project we've been working with LADWP for three years and four months, and we're still not sure if we're going to get the building energized by December to move the residents in. I will stop here, but we're very encouraged by all of this. And thank you, because we really need red, blue, black, brown, white, all shapes and forms to really collectively come together to address the affordable housing crisis that we have.

[Chair Wicks](#)

Thank you.

Aleja Cretcher, Communities for a Better Environment.

Hello. Good afternoon. My name is Aleja Cretcher, and I am a legal fellow with Communities for a Better Environment. At CBE, we work with the communities and residents on the ground that are most affected by gentrification, by unhealthy housing, and by the risk of displacement. Working within the environmental justice movement, I want to push back on the notion that we don't understand that the need for housing is there and that we don't want to help development around anything and everything. Instead, I want to put forth that in our neighborhoods, where our residents do not have a seat at the table, processes like those required by CEQA are the only protections our members have to ensure their housing isn't built on lots that will give them cancer or other illnesses. I also want to offer that streamlining housing for buildings with the minimum numbers of affordable units, but having that affordability expire after 30 years, like the builder's remedy, is like building a boat with a hole in it. Before prioritizing developer payout via unencumbered by-right development and trickle-down housing, we should first protect our residents currently at risk for displacement with rent control and permanent affordability, while also ensuring that DTSC and developers are properly remediating land before providing housing that is making people sick. Thank you.

Chair Wicks

Thank you.

Fernando Gaytan, Earth Justice

Good afternoon, Chair and members of the committee. My name is Fernando Gaytan. I'm with Earth Justice, and I'm actually, I was a former housing attorney, and so this discussion about housing is so near and dear to my heart, very important to me. Obviously, I understand and appreciate that housing is essential, especially affordable housing. But I'm here to offer a slightly different perspective, from a climate, environmental, and public health perspective, preventing displacement will go a long way to protect affordability and address those issues. Robust environmental review can stave off that displacement, and I'll explain why.

We need greater public participation, not less. I think we can all agree that development should not harm existing housing, spur displacement, or undermine California's efforts to advance environmental justice. On the contrary, land use planning, siting, and investment decisions should protect and advance public health, housing, and environmental justice, and not concentrate polluting land uses in disadvantaged communities and BIPOC communities. With a number of streamlining measures we heard today since 2017, over 200 based on the earlier presentation, now is the time to maybe pause and maybe look at whether or not a rush to streamlining will force us to sacrifice protections at the worst possible time. With the federal government shifting priorities and likely abandoning crucial environmental protections, it falls on California leaders like yourselves to defend the principles of public participation and environmental justice that matter most to our communities.

We welcome a conversation about improving planning, design, and construction projects that actually benefit disadvantaged communities and prevent further harm while incorporating meaningful community engagement. There are multiple examples where robust environmental review and community engagement have resulted in preservation of housing and community protections from ill-conceived projects like freeway widening. Consider, for example, the Inland Empire. There was a development project there that sought to rezone an entire area across two cities, threatening to displace 2,600 people. It was only through environmental review and public engagement, including the intervention of the Attorney General, that these homes were actually saved, allowing decision-makers to rethink their process and think of a new path forward.

And in transportation, the I-710 corridor offers a clear example. CEQA enabled communities to speak up, prompting decision-makers to reassess the proposed freeway expansion that would have worsened impacts on BIPOC communities and disrupt communities even further. These cases highlight why we have and can and must uphold CEQA core principles, ensuring community voices are heard even when projects seem beneficial on the surface. I urge you to consider these points when proposing policy solutions to addressing permitting backlogs. Thank you.

[Chair Wicks](#)

Thank you.

[Natalia Ospina, Center on Race, Poverty and the Environment](#)

Good afternoon. My name is Natalia Ospina, and I'm here as the Legal Director for the Center on Race, Poverty and the Environment, and we're based in Kern County. Our work with rural communities in Kern and Tulare Counties—through that work—we have successfully advocated for over \$40 million in community-supported county infrastructure investments. So we very much support moving forward investments that have community buy-in, that they prioritize, and that will directly benefit them.

Environmental justice communities, like the ones we work with, across the state are intimately familiar with the impacts of transportation on their health and wellbeing, from freeways bulldozing communities of color, to the siting and concentration of polluting transportation projects next to their communities, to the systemic underinvestment in safe and accessible streets in those same communities. I'm glad to hear there's an interest in transportation projects, but it's crucial that such investments and reforms address past harms and do not create new burdens or shift impacts onto new communities. Transportation projects are often complex, as we've heard today, and can have unexpected consequences. For that reason, where a transportation project could harm community health or safety, we must maintain and strengthen the tools we have for meaningful community engagement and environmental review.

For example, while mode shift from cars and trucks to rail might offer some local benefits, including reduced climate emissions, if projects are not carried out thoughtfully and in partnership with directly impacted communities, they can also cause harm. These impacts could include displacement, gentrification, worsened air pollution, and increased cancer risk. Directly impacted communities must have a say in defining what is considered a sustainable transportation solution, and that must include but go beyond reduction of greenhouse emissions. We have seen efforts to fast-track hydrogen fueling projects without guardrails or community protections, which not only puts frontline communities across the state at risk, but also distracts energy and resources away from community-supported solutions.

Communities across the state have different needs, and establishing processes to gather and incorporate community input is necessary to protect health and ensure the needs of different regions are considered. Thank you so much.

Chair Wicks

Thank you.

Holly Fraumeni de Jesús, Lighthouse Public Affairs

Madam Chair. Holly Fraumeni de Jesús with Lighthouse Public Affairs here today, on behalf of SPUR's housing and land use team. Wanted to thank you for this hearing. And for those who still wonder outside of this room why we're in a housing crisis, they only need to watch one to two minutes of this hearing to understand that it's very complex. Whether it's a bedroom, whether it's an ADU, let alone a floor, or 150 units or more, it's nearly impossible. And there's so many layers of this permitting process that hit everything under the sun. So I commend you for taking this on.

We're looking forward to working with you in this new session, and hopefully the session will focus on three key elements that have come up today and throughout your last hearing and probably next hearing, which is feasibility. Thank you for focusing on feasibility, whether it's the IZ, whether it's protected units and demolition provisions and replacement provisions, feasibility is key. Whether it's a nonprofit or a for-profit, market rate, the cost of building is the same for both, just the subsidies go up when nonprofit is building it instead of a for-profit market rate developer.

Two the process, I think you might want to think about amending the word streamlining out of the law, because it doesn't sound like existing law streamlines anything. It's very complex. But aside from proposing that amendment, something to consider. I definitely echo—one of our panelists talked about a uniform application. Someone called it a tweak. This panel in front of me, the members that I'm looking at, tweaking is what you're not interested in. You would not have a committee focused on this issue. Systematic reform is what is needed. Don't stop at a uniform application. That seems simple. Take it one step further—discretionary design standards, conditions of approval, uniformity throughout the cities—every jurisdiction should

be doing something the same. So take some advice from San Diego. But I think there's a lot more you can do than just have an application that looks the same.

And then, last but not least, I know Steve doesn't want to hear this, but you probably could do a whole hearing just focused on the state agencies. I don't think the state agencies' overviews of the permits at the final stage is getting enough attention. Coastal Commission, Department of Fish and Wildlife, and even Caltrans wasn't mentioned today, their fees and their additional approvals also create additional burden. So again, looking forward to working with you next year and through this next two years on these varying critical issues. Thank you.

Chair Wicks

Thank you.

Nick Cazalis, SoLa Impact

Good afternoon. My name is Nick Cazalis. I'm with SoLa Impact, and I wanted to talk a little bit more about the inspection process that we have to go through with our 20-odd projects under construction, soon to be 40. The inspection process—despite being on projects that are otherwise, quote-unquote, by-right ministerial, they were permitted without any discretion—inspectors during the construction process have a ton of discretion and can make, oftentimes, large changes or requests to our projects that have the impacts of long delays and millions of dollars of additional costs.

I wanted to give a couple of examples on some of our projects where this has happened recently. On a project at Main Street, the LA City Bureau of Engineering had approved our right-of-way plans with no improvement requirements. So now, normally, you're expected to... under construction, sometimes your sidewalks or your curbs get a little bit damaged, you're expected to repair them. It's all good. The inspectors actually went out and required us to not only—and of course, we were fixing the curbs and sidewalks—but they required us to repave the entire road, replace the entire sidewalks, all the curbs and gutters, redo a bus stop, and also reprogram the traffic signals. These weren't in the plans. These weren't part of our conditions of approval. This was entirely discretionary by the inspectors in the last four months of the project. This cost the project \$1.4 million in additional work and delays. 600,000 of those were in hard costs, and another 800,000 of those were in lost rent and carrying costs that we had to absorb.

At another project on Western Avenue, and here in Los Angeles as well, we had approved permit plans with urban forestry sign off. The inspector on site required us to relocate the tree wells to a non-compliant location that did not apply to the plans, that weren't compliant with City code, and they asked us to go back and get those plans re-approved. Of course, when we went back and try to get the plans re-approved, of course we were met with a "this design isn't compliant." This is actually something that's still open. We still haven't resolved. It's been a four-month delay. It's been ongoing. It's been holding up our certificate of occupancy at that

building, and it's been almost a million dollars of additional costs and lost rent and hard costs that we have to undergo.

So inspectors—just to summarize—they have full authority to interpret code and demand changes. Sometimes they don't even adhere to code, or at least some interpretations of code, plan checkers' interpretations of code. So, you know, we would ask that there be attention paid to having inspectors abide by approved stamp plans and only approved stamp plans, and not have that authority, that discretion to go and interpret code in their own way that does not agree with the plan checkers, and to, you know, that extends timelines that adds millions of dollars of costs. That is all. Thank you.

[Chair Wicks](#)

Thank you.

[Jordan Grimes, Greenbelt Alliance](#)

Good afternoon Chair, and Member—no longer Members—but good afternoon, Chair and Member. My name is Jordan Grimes. I'm the State Resilience Manager for Greenbelt Alliance. We are an environmental nonprofit based in the Bay Area focused on climate resilience and sustainable land use. Greenbelt began as the people for open space in 1958 dedicated to conservation and protecting natural and working lands. But over time, we came to recognize how critical infill housing was to our mission of protecting the environment. When you make it extremely difficult, if not impossible, to build infill housing in high demand areas of California, that demand does not just vanish into the ether. It re-materializes as sprawl housing, as new subdivisions in inland California, increasingly in areas that often come with serious climate risks—flooding, extreme heat, and, of course, wildfire.

Demand for housing and the development patterns that we have chosen through policy are at the root of our most pressing crises, from affordability and homelessness and insurance to climate and biodiversity. Many of our environmental laws were born in a very different era, when our primary focus was on, understandably, preventing severely negative outcomes for people and the environment. That remains critical, but left behind in that time was something equally as important, policy designed to create good. In order to create the infill housing, we need to address all of these crises. We need to not just prevent harm, but to deliver good to people. And we must have real conversations around what modernized environmental protections can and should look like. The review process for an oil derrick and a new apartment building fundamentally should not be the same. We need to start discussing how to make that happen, to make sure we are both preventing harm and delivering good to people, and Greenbelt Alliance looks forward to being part of that conversation. Thank you so much.

[Chair Wicks](#)

Thank you.

[Zenon Ulyate-Crow, Student Homes Coalition](#)

Hi there. My name is Zenon. I am the founder of the Student Homes Coalition and also a transit activist. I wanted to talk a little bit about the transit stuff we were talking about here. In terms of what folks were mentioning, in terms of the lack of expertise that's in-house in California's transit production. Essentially when California High Speed Rail was working, and we know how tragically that ended up turning out, they had 16 fulltime staff for the entire statewide project, and everything else was done by consultants. And so you had actual consultants that were managing consultants, which led to a whole bunch of bloat and inefficiencies in terms of how those projects were moving forwards. Additionally, because they were at the whims of the different local agencies, they weren't able to get the actual approvals and permitting needed to go ahead and move forward with the project. I think the idea for shot clocks when it comes to transportation projects, is a fantastic idea, and we need to make sure that we can actually set those hard guidelines and times of when the agencies need to review. And once it's set in time, then we can actually continue move on the project. Because what we often see is, in the same way that we're talking about a lot of housing projects, where in the 11th hour things are added, same thing happens at transit projects, where all of a sudden they're decided to, "Hey, you have to build this new park. Hey, you have to do this new thing."

Additionally, one other idea to recommend in terms of transit projects is oftentimes—like the Christmas tree reference—people love to attach a lot of things to them. The way that Italy deals with this and takes care of the idea of people adding additional pet projects in communities to larger projects, is they say, "Hey, we're going to take a percentage of the overall project budget. We're going to say 20% of that budget is going to go towards money that's going to go directly to communities to pay for whatever they want to pay for." That is the set amount of money that they're going to give away to do those projects. And then the communities themselves can fight over or figure out how they want to spend that money in their districts. They're not allowed to come back and say, "Oh, actually, we want another \$20 million to give you these permits." There's a set number at the beginning, and it changes the scope of argument from being a scope of, "Oh, we're going to keep on adding projects, keep on adding projects" to instead be a scope about thinking about where you're going to allocate that funding.

The final thing I want to mention is, I was talking with a developer the other day that was talking about how it's really challenging to do innovative techniques when it comes to construction, because in terms of when it comes to coming to clients with fire codes, there's always a sacrificial lamb when it comes to testing out new building techniques in that people need to get approval from the fire agency in order to actually say, "Oh, this new type of construction, or this new type of connection, is actually a valid and true connection." I think it would be really beneficial if the State was able to provide funding for innovative construction techniques such as modular housing, to go ahead and put forward that money themselves to get those things included in the code, so that when developers might want to come along and come along and actually do these projects, they're not being forced to foot the bill for the first time or try unknown things that they don't know if they're going to get that approval or not. Thank you.

Chair Wicks

Thank you. Well, thank you for public comment. Thanks to all of you for sticking it out today on these hearings. I know they tend to run a little long, but we still are also just scratching the surface on a lot of this stuff. So also, you know, I want to give a special thanks to the LA BizFed, who hosted us on a tour today, discussing some of the housing and transportation permitting issues. So thank you for that. And lastly, you can join us next Wednesday in Palm Desert, if you so choose. We're having another hearing looking at permitting reform as it pertains to renewable energy projects. So that's a whole other slew of issues. And I also want to thank Assemblymember Juan Carrillo. He gets the gold star on the committee for showing up to all of the committee hearings thus far and sticking out the whole way through. So I don't have a gavel, unfortunately, so we are meeting adjourned.

Appendix D4

Transcript

Informational Hearing of the Assembly Select Committee on Permitting Reform
"Permitting Reform to Facilitate the Transition to Clean Energy"
Indian Wells Theater, CSU San Bernardino Palm Desert Campus
37500 Cook St., Palm Desert, CA 92211
Wednesday, November 20, 2024

Chair Wicks

Good afternoon. My name is Buffy Wicks. I'm an assemblymember representing the beautiful East Bay, Oakland, Berkeley and Richmond area. I'm also Chair of the Assembly Select Committee on Permitting Reform. Thank you for joining us for our fourth and final scheduled hearing for this committee for this year. Our first hearing was held in June in Sacramento, and it was a primer on the need for permitting reform necessary to address our housing and climate crisis here in the great state of California. Our second hearing was last month in San Francisco, and that was focused on permitting reform to facilitate climate resiliency. We took a great tour of the bay, looking at sea level rise and the challenges that permitting plays in order to address our climate adaptation needs. Our third hearing was in Los Angeles last week where we looked at housing and transit and uncovered some of the challenges that permitting reform plays with regard to those two issues, and got some very concrete examples of things that we can do from a legislative point of view to fix some of those challenges. And this hearing here is focused on permitting reform to facilitate clean energy. We'll have a panel on transmission followed by one on the creation of storage and clean energy. We also have a standalone panel on environmental justice to ensure that members of the EJ community have a chance to articulate their positions on permitting reform.

I'm going to repeat something I said last week and that is...something that I've got to say over a lot of the next two to four years as well. In a democracy, when the government fails to meet the people's needs, the people elect to go in a different direction. And we really know that we need to make sure that we're meeting the needs of our constituents, and we have a lot of work to do here in California to ensure that we're building a modern, inclusive state that's welcoming of all people, that reaches our climate change goals, which is so critical, and also provides the necessary housing and public transportation that our communities, not only need, but deserve. So, on the energy issue this year, as everyone knows, energy costs a lot in California. We have the second highest rate in the nation, after Hawaii. Most importantly, we can expect tremendous strain on our existing energy supplies in the state, given the needs of new technologies to power things like AI and increasingly hot summers, so we have to adjust and adapt to this. Compounding that strain is our necessary shift away from fossil fuels to renewable energy sources. But if we don't manage that transition correctly, we are apt to see...runaway utility bills that we've seen, as we've seen with runaway housing prices as well. To address our demands and climate goals, we need to build and move a lot more clean

energy quickly and cheaply. Again, it's something that our constituents deserve, and right now we're not doing that.

Possibly the most common refrain we've heard on our interviews on this topic is that it takes 10 to 12 years to build a new transmission line. That's a long time when we're trying to reach the goals that we've set forth as a body. And it's totally a time frame that's incongruous with meeting, I think, our much urgent needs. And you know, I say this as a mom of a four and a little girl who's going to be eight on Sunday, actually, when I think about their future and what that looks like, we have to meet these climate change goals. It's very important.

So I'm looking forward to the hearing today, and I'm honored to be joined by two of my colleagues who play a very important role in helping to address these issues. Assemblymember Cottie Petrie-Norris, who is chair of Energy and Utilities Committee, and Assemblymember Quirk-Silva, who is Chair of Budget Sub Five on State Administration, so a budget person and a utilities energy person. So they have a lot of expertise in these spaces, and obviously have worked with them over the years to address some of these...fundamental needs. So before we get going with our first panel, I'd love to offer the opportunity for my colleagues to say some opening remarks.

Assemblymember Petrie-Norris

Well, thank you, Madam Chair, and thank you everyone for being here and being part of today's hearing. I'm Assemblywoman Cottie Petrie-Norris, and as the Chair said, I Chair our Assembly Utilities and Energy Committee. As I said to some of you earlier, as we were taking a tour around the Palm Desert area, there is a really yawning chasm between the things that we as California say are our priorities and the things that we're actually delivering. And that's true when you talk about housing, that's true when you talk about the need for climate resilience, and that's definitely true when we talk about clean energy. And when we just think about that within the context of our climate challenges and our climate goals, California has long been a leader in climate action. We have incredibly ambitious and incredibly important climate goals, and while we have made tremendous progress, we are absolutely not going to be able to deliver on our 2045 goals unless we make some dramatic and fundamental changes in the way that we site, permit, and actually build clean energy infrastructure here in California. We've got to dramatically accelerate the pace that we're actually getting projects built because, as I think, as we all know, we don't achieve our climate goals by giving speeches. We achieve our climate goals by actually building things.

And so we've got to get better at doing that. And I'll just say, I think the good news for the folks that are participating in today's hearing and for other stakeholders who are very engaged on this topic, I think that by and large, the legislature recognizes what a critical need this is, and what kind of a critical shortcoming this is. We need your help in the months and the year ahead to get really specific so that we can take that general problem statement and kind of the general solution of we've got to move faster, and you can help us turn that into really specific policy proposals that we can take forward, enact into law next year and actually start to transform the way that we get things done. So really looking forward today's conversation.

Really appreciate the chair for convening the select committee and for the really thoughtful way that she has led.

Chair Wicks

Thank you. Next, Ms. Quirk-Silva.

Assemblymember Quirk-Silva

Good afternoon, everybody. It's a pleasure and privilege to be here. I'm Assemblymember Sharon Quirk-Silva, representing North Orange County and parts of Los Angeles, the 67th district. I want to thank our Chair, as she has been working tirelessly. This is my third permit hearing select committee. I was not able to get there last week, but my third we were up in the bay a month ago. So certainly, there is a lot to learn. There's a lot to implement, but it's really about the urgency. It's about saying we have these goals, and how do we, in essence, move the barriers and implement and we do a lot of talking as politicians, but we know these are challenging issues. Many times, there's multiple agencies...that have to be worked with, and these can take not just days or months, but years, and this simply is not going to get us to where we need to go. So at the core of permitting reform, we have to ensure that every California has affordable, reliable renewable energy. We know that we have to look through this lens of environmental justice. We have to be able to say everybody should have the shared responsible of energy in California, not just in certain areas. And that's certainly an area that I'm very passionate about. We know that some communities have taken much more of a burden of energy needs throughout California, and as we look at California as a whole, we need to do better. But with that, proud to be here and happy to hear from the panelists.

Chair Wicks

Thank you, Ms. Quirk-Silva. So our first panel will be on permitting reform needed to facilitate new electric transmission investments. Each panelist will have five minutes to present, and then we will ask questions. We would ask you to stick to five minutes, and we are in a stage, so we might break out in jazz hands if you, you know, go over the allotted time. But with that, and if folks could just go in order of the agenda, that would be great. And we will let Mr. Wara begin.

Michael Wara, Woods Institute for the Environment at Stanford University

Thank you very much for the opportunity to testify before you on the issue of transmission planning and siting. My name is Michael Wara. I direct the Climate and Energy Policy Program at the Woods Institute for the Environment at Stanford University. And I'll just say briefly that all the comments I make today reflect my personal opinions, and not those of CEPP or Stanford. As you said in your introductory remarks, California has staked out incredibly ambitious clean energy goals, and we're making real progress. But we also face enormous challenges in achieving them over the next several decades.

Just to take a few examples to put some numbers on this, the California Independent System Operator CAISO anticipates the need to interconnect 70 gigawatts of generation, and in order to do so, to construct as much as \$30 billion in transmission investments over the next several

decades. Recent experience suggests that the real number, unless cost overruns and delays can be prevented and overcome, might be closer to \$40 billion to achieve this build out. We're on track where typical projects are 33% over budget in a recent analysis. All of this, of course, is extremely challenging to achieve in a context where electricity rates are the highest in the nation, maybe the second highest. I sort of think of Hawaii as a special case. And energy affordability is an enormous concern for all Californians, but especially those that live in places like Palm Desert and who are low- or moderate-income. We...as a team at CEPP are deeply concerned about low-income electricity customers in hot places, and the public safety risks that the combination of high rates and a hot climate create. I also think in the current political context, 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 ...All of this means we need to make sure that the money we do spend has to be...spent well, and we should be looking for additional sources of money, and I emphasize this from outside of race, to try to reduce cost to electricity consumers. We should also be looking for ways to connect communities and local stakeholders to the planning process in ways that accelerate rather than delay project development.

The big context for this is that we need to build generation pretty much everywhere, on rooftops, in the state, at the utility scale and also in other states, to achieve our SB 100 goals, and we need to do it at a much faster pace than we have over the over the last decade. 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.

Now 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 planning 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. That also is going to facilitate the faster build out of the generation, but also the transmission that we need to support the generation. CAISO has always been a leader on interconnection, or one of the leaders in the United States, and I think they really staked out an important role there with the new interconnection rules that in the tariff that have been accepted by FERC. In addition, the three large IOUs and CAISO jointly are administering \$600 million in funding from DOE to deploy advanced transmission technologies in California. I think the most important one here to think about is dynamic line ratings, which...basically allows the transmission to be used more

flexibly and not assume sort of worst case scenarios about the transmission we do have. Finally, I would note passage of certain types of legislation, and I'll just call out AB 2661 from last session, which allows Westlands to become a solar storage and, most importantly, a transmission developer. I think we need to be thinking about how to connect local institutions, local government institutions, to the work that we all need to do collectively as a state, especially in places where there's broad agreement that large amounts of generation needs to be constructed. We need to identify more wins like AB 2661 and then find ways to execute on them.

I'd also add that the real work, I think, in improving and fixing transmission planning and siting, could come from working better to address how transmission...planning occurs in the LGIA context, the Large Generation Interconnection Agreement context. That, after all, is where more than half of the money gets spent today on transmission. These are transmission upgrades that are required as a condition of interconnection for new power plants. We need to move towards a process where greater risk of curtailing deliverability is a norm and generation takes more of that responsibility in the first instance. Folks in transmission planning context, the United States call this interconnect, or connect and manage. I think that's an important direction to be heading in California. We have to do it gradually and carefully, but it's an important direction to be heading.

So I'm just going to provide a list of things that I think are important for you to consider in the session and in your oversight of the multiple agencies that oversee transmission. One is moving further, and I'd say we're making progress, but moving further towards an approach that I frame as if you build it, they will come. That philosophy of transmission planning really needs to become the norm. This would...also enable, incidentally, and very significantly greater use of programmatic environmental review, both at the federal and state levels, depending on who's reviewing their proposal, either FERC or the PUC.

We need to move further, and we are making progress here as well towards integration of transmission planning and interconnection planning. These are really two sides of the same coin, and while we do so, we should strive to move away from a framework for transmission upgrades for new generation clusters that's focused on worst case reliability scenarios. In the national context, this is referred to as invest and connect, but you can think of it as, you know, the sequential planning that we do in some contexts. We're doing better in California with cluster studies...and a set of assumptions that assume that the all generators have to be deliverable in the cluster on peak in the most stressful situation. And moving away from that is something that Texas has done very successfully and has allowed Texas to really become the leader in siting both solar and storage across the country. I would argue we should be welcoming local government entities into the process, because having strong community engagement in the places where we want to build transmission is an important way to solve for siting challenges. And I don't just mean giving them CBAs. Making them part owners right, can be an important way forward, as we as was done for Westlands.

We should be strengthening existing institutions that have the potential as vehicles for public finance or public-private partnership finance of transmission. I would note here that the iBank has the capability to do this, but is generally under resourced, both in terms of personnel to do the work and dollars to carry out the function.

Finally, we need to be looking carefully at all possible resources to contribute to the effort. This is going to be expensive. I suspect that some elements of the planning regime today are concerned about acceleration of siting and planning because of the impact it will have today on rates if we go faster. And so we need to solve for both things at the same time. My personal recommendation will be to take a hard look at Cap and Trade resources as the legislature begins consideration of reauthorization in the coming year. GGRF should be focused on the things that are likely to drive the biggest and most impactful changes to California greenhouse gas emissions, and focused on making those changes affordable for Californians. There's nothing that is higher impact than having the electricity system we need to deliver affordable, reliable, clean electricity to the people and businesses across the state. We currently do not use cap and trade resources in this way. I think we need to consider it as we think about reauthorization of cap and trade for the next two decades. Thank you for your time, and I'm happy to take any questions.

Chair Wicks

Thank you very much. Following panelists will have five minutes each, and you'll hear my alarm if you could shortly wrap up after you hear that, but...I'm not going to cut you off completely, but just be aware. Thank you.

Robert Pontelle, Southern California Edison

Thank you. Chair Wicks, good afternoon. Chair and members of the Select Committee, my name is Robert Pontelle, I'm the director and managing attorney for the licensing and land use section at Southern California Edison. I manage our proceedings related to the permitting of electrical infrastructure, including transmission infrastructure. I appreciate the opportunity to participate in today's panel, especially because at SCE my company will be one of the primary entities responsible for constructing and operating the transmission pathways that are needed to bring clean energy and renewable energy to the end users in California. As you noted, achieving the net zero goal in 2045, demands significant things like building electrification, greater reliance on clean energy, and most importantly for my work, development of a massive amount of new and expanded transmission infrastructure at an incredibly accelerated pace.

In particular, SCE estimates that its transmission projects will need to be developed as much as four times faster than their historic rates. And distribution grid projects as much as 10 times their historic rates. Achieving that remarkable and accelerated expansion of electrical infrastructure will take a joint effort from everyone involved. And currently, the process for planning, permitting and developing a new transmission project, as you mentioned earlier, 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. We at SCE

have...initiated an internal review of how our own procedures and what we can do to streamline things and make things go faster. But reforms in the governmental permitting space are critical. We commend the state's policymakers for also recognizing this need. And for example, we appreciate the recent adoption of SB 529, AB 1373, to speed the CPUC process. And we also salute the CPUC itself for its ongoing rulemaking on GO 131d which governs the infrastructure siting process. In fact, Edison was one of 18 parties that signed on to a proposed settlement agreement in that proceeding that is currently being considered at the Commission.

One of the most time-consuming and inefficient components, however, of the transmission project permitting process is the CEQA and environmental review. We commend the state for recent amendments to CEQA, such as SB 149 expediting judicial review for infrastructure projects. However, respectfully, the licensing and permitting distribute decision making process itself should be the focus of further reform efforts. In fact, we suggest two areas, first reforming CEQA and public utilities code permitting requirements to exempt or streamline the reviews of particular types of projects that support broader environmental policies, and especially those that might have comparatively fewer environmental impacts. And secondly, we suggest fostering greater cooperation and alignment between lead permitting agencies like the CPUC and other state, local, and particularly federal agencies that have jurisdiction over some aspect of a project.

With respect to the first focus area, CEQA amendments and transmission licensing reforms should recognize the unique benefits that transmission projects can provide when integrating more clean energy into the grid. We recognize the important public disclosure process...disclosure function, I should say, that CEQA serves, however, the legislature and the resources agency have already historically recognized that some types of projects have particular environmental, social, policy, or economic benefits that warrant particular relief from burdensome CEQA review processes. Things like sports arenas, Olympic Games, urban infill developments have all been granted special CEQA status. If California is serious about achieving its clean energy goals, we suggest that electrical transmission projects should, in some instances, be given similar relief to streamline the process for approving and permitting those types of projects. To that end, the IOUs have already tried working closely in a number of contexts with state policymakers on CEQA reform efforts. In 2003, my company supported AB 914 which would have provided a common sensical in our view, exemption from CEQA for construction of a new substation or short electrical transmission line less than two miles, for example...as long as those facilities are associated with either transportation electrification efforts or building electrification efforts or the interconnection of a green and renewable energy source. That proposal might not have been adopted, but in our view, recognizes the very type of reform needed to avert multiple years of CEQA review and uncertainty for the very types of projects we very much need today, especially ones with comparatively fewer environmental impacts. Other CEQA based reforms could include stricter deadlines...and page limits for environmental review processes like EIRs or, as Mr. Wara mentioned, programmatic reviews of certain types of projects that contain very similar components and tend to have similar environmental impacts. And hearing the alarm, I will wrap up here, but the other

suggestion would be greater collaboration and alignment with federal, state and local, other agencies, particularly through the MOU process. We already heard about the MOU process having a successful result on the planning side. We strongly recommend the same for the environmental side, because we have so many agencies who find alternatives, reviews, and impact analyses that do not see eye to eye with the Commission.

Chair Wicks

Thank you very much.

Erica Martin, San Diego Gas & Electric

I am Erica Martin. I'm the Director of Environmental Services at San Diego Gas and Electric Company. I'm happy to be here today to talk with you all about permit reform. I share...and echo a lot of the comments that were made by Mr. Wara and Mr. Pontelle about the need to address this topic. We're very encouraged about the growing consensus that we need to significantly accelerate. The...2022 CARB scoping plan recognized that increased electrification means that the grid will need to grow at unprecedented rates, but also ensure reliability, affordability, and resiliency. Such a, such a tall order.

The CEC's 2023 IEPR concluded that electric demand is expected to grow 25% from 2023 to 2040, and the growing forecasted demand from the electrification of our energy sources is a significant driver, in addition to the climate policy goals. We have to meet the needs of our customers, as the Chair already mentioned. It's also a way that we can look at addressing electric rates when we increase the base of customers who are covering the revenue requirement that public or that IOUs and other utilities require, that's an important focus. But we remain concerned that some stakeholders in the state express their understanding of these facts and this reality, and yet they fight to preserve the status quo. They oppose modest policy reforms that would accelerate the process, a fact that's evident in some of the failed measures that Mr. Pontelle just referenced, and including AB 3238 from Assemblymember Garcia last session. We can no longer play lip service to these concepts. If our planet is facing an existential crisis, we really need to act like it.

And I'll spend...a minute focusing on the CPUC process. In that regard, 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 Sunrise Power Link took five years for review and permitting and resulted in 70 permits from 28 different agencies. Again, something underscored by what Mr. Pontelle just described. And it was energized 12 years ago, but there is no reason to believe that that would change today. Maybe it would be worse.

There have not been streamlining efforts thus far that have improved the process, and that's why we're here. In fact, until SB 529, the CPUC's permitting process had not been revised for 30 years. And so we again commend the CPUC for taking that up in the open proceeding currently before them, the open rule making, but as it stands today, we're very concerned that it's simply not enough. By the time a transmission project comes to the CPUC for approval to

build, it has already undergone years of regulatory planning at the CEC through the IRP, I'm sorry this at through the IEPR and at the CPUC through the IRP, as well as CAISO's transmission planning process. And yet, 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.

So some of the areas that we would propose for reform are aimed at eliminating some of that duplication. For example, the CPUC spends considerable time and expense exploring infeasible project alternatives in its review, even when those projects would not meet the identified goal that CAISO has approved in their transmission plan, again, going back to sunrise Power Link at SDG&E that project had an 11,000 page EIR that analyzed 100 alternatives. This goes directly to the project's bottom line. If we can save time and expense in resources, in consultants, in employees at the state, and staffing that can, that can reduce both the time and the expense of a project. In addition the current open proceeding at the CPUC, while it's still pending, there is a staff proposal that declined to take up any deadlines for the CPUC review.

Here's another place where we can all come to the table, project proponents and staff alike, and commit to reviewing things faster. AB 3238 and also the settlement agreement that Mr. Pontelle referenced proposed a 270 day timeline for that review. It is so fast. It's fast for the project proponent to analyze and provide data. It's fast for the agency. But again, if we, if we're serious about some real, meaningful reforms that move the needle, that's one that we need to have the bravery and fortitude to take on, I think. There's definitely more to say on this topic, but I'll, I'll conclude my testimony there, and I welcome your questions on any of these topics. Thank you very much.

Chair Wicks

You don't have to stop immediately at five. Just know to sort of wrap it up. If you want to add another point or two, feel free.

Erica Martin, San Diego Gas & Electric

Thanks, actually, that would be great. I will take you up on that.

In addition to the CPUC permitting process, which is for regulated utilities, a primary focus, I do want to note that it is not a silver bullet. There are many places where we need to identify the process review that we're undergoing. There are some overarching state policy conflicts, and I think Mr. Pontelle hit on some of those with respect to CEQA and the environmental review process. But there are also issues that come up for long, linear electric projects that cross many public lands, federal and state public lands, and where the existing land use designations would conflict with a utility use with a transmission or facility infrastructure, which makes it very difficult to site the projects. It not only increases the time, but it can result in reroutes of projects many miles. And when we're talking millions and millions of dollars per

mile, that also goes directly to the bottom line of a project, as well as the timeline of a project. And so this is something that the state and here, I think the legislature's leadership would be much needed. 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.

Chair Wicks

Thank you very much. Great. You can begin when you're ready.

Faranak Sarbaz, Los Angeles Department of Water and Power

Good afternoon, and I want to thank you all for the opportunity to be able to share some of the challenges that we have at LA Department of Water and Power. My name is Faranak Sarbaz, I'm the Senior Manager overseeing the transmission planning and asset management within power system within LADWP system. As you may be familiar or not with...how the LADWP system is configured is that we have many of our generations...that are coastal units, and they are retiring, and our goal is going to our 100% carbon free by 2035 which is actually in a state, it's a local, city goal that we are adopting versus the state's that is 2045. So as you see, already, we have set a goal that is way ahead of the state goals. With that said, we do have and the way... our system has been configured again, the most of the generations where they are, the traditional generations where they're located. They're serving the load locally. So if we do not have those generations, which we are planning on retiring them by 2030, or change the source of, you know, feeding those generations from natural gas to hydrogen or other renewables, we are going to need corridor, transmission corridors, to bring renewables in which, as you know, I heard from other panel members, there are challenges that...LA is also experiencing, similar to everybody else's. Just giving an examples like the what was mentioned by everyone else, that we have duplications on the requirements with CEQA and NEPA, where we have finished the process approval, and once we get into the next step, the same requirements are again, we have to start all over again. There's sometimes when we have approval, when we have approval from one state agency, we still have to go back and...provide more documentation for...another agency, and start the process all over again.

As mentioned again, here is that one of the other issues that when it takes a long time, it's a lengthy process, there is no set, fixed requirements from one agency to another. When we go from one BLM office to another BLM office, they have different set of requirements, believe it or not, one ask us for one set of requirements, and they approve a piece of the project, and the other BLM agency approves a different—they ask for more requirement. So what the first ask from you guys is to come up with a uniform process that everybody across different agencies follow, and then the duplication that is now currently like requirements that different agencies are asking. Instead of asking for the same requirements, if they would ask for supplement that they can it can be add on that would help, you know, expedite the process and, you know, the lengthy timeline that we have to wait. In addition to what the staffing that we've noticed that when we do reach out there are understaffed, so it does take a long time.

We've seen turnovers that every time we are talking to them, they are different, you know, staff that we have to start all over again.

So...it doesn't help, you know us, moving forward, we have more than 47 transmission projects currently that are planned and staffed, and they are in basin, out of basin, out of those, we do touch CEQA, NEPA and other state and federal agencies, and each one of them, and I can give, I have a few examples to share, is very similar to what other members have experienced, that we have a project that hasn't taken off after eight years because of the so many different permitting that is required for the project, for that same project within the same right of way to happen. One of our other asks from you is that if, if a project happens within an existing right of way, do we need to actually, and it's not disturbing anything else, why can that project progress...as long as we notify instead of starting permitting after permitting and after permitting, and it's, you know, that becomes, that is the project that we we've been dealing with since in 2019 we are not in 2025, we're still in that permitting process. With that said, again, I echo all the other suggestions that I heard. I think we all feel the same challenges and collaboration and coordination, I would be the most important thing that needs to happen. Thank you.

Chair Wicks

Thank you very much. And our last panelist for this panel, Ms. Brand, if you want to start.

Erica Brand, The Nature Conservancy

Good afternoon, Madam Chair and members of the Select Committee. Thank you for the opportunity to speak at today's hearing. My name is Erica Brand, and I'm an associate director of the climate program at The Nature Conservancy in California. I have over 20 years of experience in the utility, state government, and nonprofit sectors, balancing the development of energy infrastructure and protection of nature in California. TNC, The Nature Conservancy, is a science-based conservation organization working in more than 70 countries and all 50 states to mitigate climate change and to protect the lands and waters on which all life depends. Our research on California's energy future has revealed multiple pathways to building out the generation and transmission needed to achieve 100% clean electricity while avoiding impacts to wildlife and ecosystems.

For those that like numbers, it has shown that we'll need over a million acres of land for new electricity infrastructure in California. Transmission projects vary widely in scale, from simple upgrades to existing equipment to new lines that span hundreds of miles, requiring long lead times to permit and construct due to scale, cost potential impacts and complexity. Responsibly advancing...transmission investments and projects requires a wide lens that considers improvements to planning, siting and permitting. These factors are interconnected, and each plays a role in the timely delivery of projects. First, I'll share a few thoughts on planning. 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.

Agreeing with something Mr. Wara raised earlier, 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 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. For example, information about transmission needs from the outlook could be used to inform preliminary transmission corridor evaluations that to help understand feasibility and constraints that may impact route selection and permitting of future projects. Further, the information from the outlook could inform meaningful and early engagement strategies with communities and interested parties in advance of the selection of routes or the proposal of a transmission project.

My final point on planning is that the Desert Renewable Energy Conservation Plan or DRECP, is an example of how inter agency planning beforehand has brought efficiency and predictability to permitting clean energy projects, and there hasn't been litigation of permits issued under the plan. Next, I'll speak to siting. The state should fully examine opportunities to prioritize timely delivery of transmission projects on disturbed integrated lands, because minimizing conflicts with natural and cultural resources will reduce costs and delay. And finally, I'll share a few thoughts on upgrading the existing system and permitting. California should continue to create a supportive environment for upgrades to the existing transmission system, including advanced transmission technologies. These can be a lower impact alternative to expanding transmission capacity as compared to developing new Greenfield transmission projects. However, lower impact is not no impact, and we need to ensure that protections are in place for threatening endangered species and cultural resources as examples in utility rights of way.

So some ideas related to that. 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. Legislators might start by asking the state agencies to produce an environmental characterization of existing right of ways in California to assess opportunities to accelerate or prioritize projects that provide multiple benefits or that meet specific environmental criteria.

Finally, the legislature can support timely permitting by ensuring that the responsible and trustee agencies have sufficient capacity to staff planning and permitting functions. Thank you so much.

Chair Wicks

Thank you. Before I ask my questions, all turn the floor to my colleagues. Would either of you like to comment or question? I figured that, I knew Ms. Petrie-Norris would have many questions. So feel free to have the floor.

Assemblymember Petrie-Norris

Okay, so just start, picking up on Ms. Brand, something you said and Professor Wara, something that you said early in your comments, that we need to be proactive instead of reactive. Several of you talked about the need for programmatic review, a programmatic EIR for transmission. But what is that—and folks have been talking about this for some time—what does that actually look like? Like, what would that look like in terms of necessary legislation? What would that look like in practice? And what would that look like, you know, for folks that are concerned that that would somehow, how can we assuage concerns that we're somehow going to cut corners if we are to do something like that? I guess, what do we need to do to actually move the ball forward on this conversation around, most recently in the California made thing Pro Tem McGuire was talking about a programmatic review, and it was all very vague. So help us turn that kind of very vague idea into something concrete that we can actually take forward.

Michael Wara

I think that it begins with having a plan that is concrete enough to evaluate, and I think we're getting there, and that's...an important piece of this. It would then, you know, we would have to move beyond what the ISO is doing to something more concrete about where, potentially, you know, preliminary assessment of where lines might go. You could imagine a set of concerns and impacts it could be evaluated for the project taken as a whole, like the next 20 years of transmission development in California, and those would then be taken off the table for subsequent environmental reviews, because they would have been fully considered at the programmatic level. That's the theory of the case. You know, I work a lot with Cal Fire's programmatic EIR for fuels management projects, and it can be more complicated than that, and you know...you have to do this right. But I think there is a real opportunity to do that in a transmission context. And also, you know, programmatic review would create a context in which to make the kinds of clear statements about priorities that, you know, in once and once and for all, and have that conversation that would then facilitate project level consideration, you know, as individual components of the plan were built out. That would be what I would favor, but the key step is having enough concreteness to the project to then evaluate some of these larger statewide impacts.

Assemblymember Petrie-Norris

So the kind of missing piece right now is we've got the kind of CAISO 20 year outlook, but then we need to turn that into kind of an overall project plan.

Michael Wara

Yeah, something like a sort of 20-year transmission plan that then, you know, things would tier underneath.

Erica Brand

I would just add that even before you get to the step of doing programmatic review for permitting, you can do upfront environmental and engineering assessments to really understand, especially when it comes to new corridors, where there might be things that would make development more feasible, make permitting more challenging, and then that can help narrow down the decision space about where then do we want to evaluate, in advance, thinking about future projects that might come along for individual permits.

Assemblymember Petrie-Norris

And then, Professor Wara, something that you, you made a comment about, of course, I've written notes that now don't make a ton of sense, but I want to, I want to clarify the point that you made about...some good things happening in Texas. And I think we were all taken aback over the course of last two years, when all of a sudden Texas has become, you know, I think surpassed California as bringing, like, the most clean energy resources online this year. So you talked a little bit about some of the things that they are doing that we could potentially do. Can you just go into a little more detail around that?

Michael Wara

Sure. So the first thing to understand is that Texas has a fundamentally different approach to its electricity market. It's an energy only market, so there's no resource adequacy requirement that loads of entities have to make a showing of. So I just want to emphasize that moving in a Texas-like direction requires some care in a context where we have much lower price caps in the energy market and very structured resource adequacy requirements to ensure reliability. That being said, in Texas, the approach that has allowed for this build out is really one that...is, you know, colloquially called interconnect, connect and manage. And the basic idea is that power plants can be built and connected to the system before the system is fully ready to manage, to accomplish what we would frame as deliverability, right? So typically, plants in California tend to be proposed and transmission upgrades are required such that the full output of the plant can be delivered under grid stress conditions. And that's, kind of, requires upgrades that are can be quite expensive and can create significant delay. If you integrate the, if you sort of allow for building the power plants first and then using the signals created by the market in the form of congestion pricing, right, which is what the evidence of inadequate transmission that's created by the operation of the ISO day ahead market, you can then go back and say, we need to add transmission here. We need to add an upgrade there. And that's the approach that Texas has taken. It's been very successful. It really stands out across the United States as a way to get things done.

Assemblymember Petrie-Norris

Does anyone else have thoughts on that kind of model or approach or lessons that California can learn?

Erica Martin

I just want to note that I think the...process for constructing and siting is much different than it is in California. In Texas, there's just less, there's less of it. I mean, just overall. And so it's also much easier to move a project through the Texas Public Utilities Commission than it is the CPUC in California. I think that's, you know, I don't have those facts on hand, but I think that's probably pretty easy research to determine that it's much less adversarial between the folks who are building the projects and the entity that is approving the projects. So I think that's probably just a point for further research and digging in to see what those processes are that are working well and that are maybe streamlining the building of those projects, and what's involved.

Assemblymember Petrie-Norris

Ms. Martin, you also mentioned and several of you did that, yeah, as did you. There's all of these examples where we just have duplicative processes happening across different agencies. And I know that's not just happening in the energy space. Have you all, and you all gave some examples of that, but again, kind of going from big picture problem to an actual piece of legislation, have you all mapped out that process and put together a proposal for an alternative process that we could then use as a basis to have a conversation with agencies about specific changes that we think are necessary?

Robert Pontelle

If I may, Assemblymember Petrie Norris. One issue that I can say cite as an example that might be illustrative is NEPA regulations have been reformed and now codified to limit pages to 150 in a NEPA EIS. we have very, very, very large EIRs in California under CEQA.

Assemblymember Petrie-Norris

11,000 pages, apparently.

Robert Pontelle

Exactly, and the chances of an EIR being complete under 150 pages is almost minuscule, right? So when we try to align the state CEQA process through the CPUC with our federal partners who might have an element of jurisdiction over a project, it's almost impossible to get them to do a joint CEQA-NEPA document, like there would be in a lot of other contexts. So to the extent that maybe we can whittle down the type of CEQA broad analysis, or the depth of analysis, I'm absolutely all for analysis, but if it can be done on the federal side, there's only so many reasons to not do it on the state side, right? And if we can join those two documents together and get them aligned, it eliminates one aspect of that duplication.

Assemblymember Petrie-Norris

Right, well and also listening to all of you kind of comment on all this duplicative work, I think folks often also point to staff shortages. It strikes me that perhaps we wouldn't have quite so many staff shortages if we didn't have people doing duplicative work across our agencies. Right. I've got more questions, but I'm gonna let y'all go see if we have time for this panel.

Assemblymember Quirk-Silva

Just on that same topic, all of you mentioned, in some way or another, a uniform process or non-duplicative. And we've, I've heard this again under so many umbrellas, whether it's housing, whether it's broadband, so many areas where we are having multiple agencies engage, and then the timeline just keeps growing. So when you say uniform process, I think I'm understanding what you're saying. But what would be the specific, like, like we were saying, ask that would be, how do you take this big umbrella of all of these hurdles and steps, and get it into a uniform process?

Faranak Sarbaz

If I can start, and then everybody else can chime in. What we what I really meant by uniform process is that, take a look at different agencies, like we work with BLM, we work with you, with Forest Services, we do, you know, what work on, CEQA, NEPA, and other state and federal agencies as needed. Like I said, because in our experiences, 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. And start from that, you know, different ones, different agencies are lined up themselves internally, then they can see if there is any overlapping requirements amongst the agencies. That would help at least clarify, you know, why are we giving duplicate documents to one agency if the other agency already gave us an approval. Like I said I mentioned about the supplement, maybe that's something to consider that we, you know, take a look and say if, in addition to CEQA, NEPA requires more information, we can provide a supplemental that is not duplicate to CEQA, but not repeating the same, giving them the same documents that we provided earlier.

Assemblymember Quirk-Silva

And just one last question on that. Are all of these partners that you're working with, is there the technology to link them together so that if, if you're working with one agency and they say, well, we still need this, and you're in that you can actually link it versus snail mail, or whatever way you're doing it, is that already in place? Is that how you work through these processes or the people who are evaluating them, or how does it usually happen?

Faranak Sarbaz

That's a good question. I don't personally have the firsthand experience, but I'm assuming that if there was a system like this, we probably wouldn't be in a situation of overlapping. But that's something that we can take back and, you know, come back with the feedback. I don't know.

Assemblymember Quirk-Silva

Anybody submitted any of these types of and know how it works?

Erica Martin

I'm not aware of it unifying electronic process that bridges those gaps. Yeah. One other thing, in response to your earlier question about a plan to look at as a possible example. I know there's the legislature passed AB 205, a couple of years ago that streamlined some renewable energy projects at the CEC as the permitting authority. I think that's a good example for some. Some there are some tightening of the process, as well as placing it at the CEC for environmental review and permitting. The only thing to be careful of there is that we can't just repeat the onerous process that was covered by a bunch of agencies in one place. There's some advantages to that, but it doesn't eliminate the problem. It needs to also be really a tightened process if we're going to go with a sort of single permitting authority, and I think a single permitting authority for electric transmission is a great idea, if we can figure out how to get those protections and review of the resources done at a single agency without having it be the resource agency. That's...a challenge, because otherwise you're just sort of shifting the delays.

Robert Pontelle

Yes, thank you. I would agree with what Ms. Martin said, but I would also recognize, 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. Because oftentimes, even when we have a state process that works, well, that's only half of the battle until we get to the federal side. And I know there's only so much we can do on the state side to actually ask our federal friends to go along with us but exploring those types of agreements and working relationships. I certainly think there's room to improve there.

Erica Brand

On that, yeah, I think in the renewable energy space, we've seen in California, success with interagency state and federal MOUs, the Renewable Energy Action Team was one that helped move projects forward, as well as think about long-term planning challenges. Another sort of interagency MOU that bridges state and federal, that helps think about transmission challenges, not just project by project, which is important, but also looking longer term at how the agencies work together to move projects forward, I think would be valuable.

Chair Wicks

Great. Any other questions, Ms. Quirk-Silva? I have a couple, and then I think maybe Ms. Petrie-Norris might be closing us out on this. Many of you mentioned agency coordination, the sort of onerous, duplicative nature of a lot of this staffing issues. All very helpful. One thing I do want to note, when Ms. Petrie-Norris asked if anyone has sort of alternative proposals, I would

love for you all to submit those to us, if you have paper or information. We're actually putting together a white paper to outline tangible things the legislature can do. And we've been, we've conducted, I think, almost 100 interviews at this point, but we would love alternative proposals that we can—what we're looking for here is, like, really tangible things we can do in the legislature. So that would be helpful. But just going back to some of the challenges for your average transmission line, like, how many permits are required?

Erica Martin

It really depends on, oh, sorry, it really depends on the project itself. It's really fact specific based on how where it's located. You give us an example, or, well, I think Sunrise required...permits from 28 agencies, 70 permits from 28 agencies,

Chair Wicks

28 agencies?

Erica Martin

Yeah, I mean, that was, that's a long, that was 120 mile transmission line. But I think the CAISO transmission plan from 23 and 24 has some like 150 mile transmission lines in it. So you can imagine that those big projects would be probably similarly situated, depending on where they are.

Chair Wicks

Right. And...can the permitting for those 20 agencies...does it happen concurrently, or can happen concurrently? Or is it sequentially? Or does it depend?

Erica Martin

It depends. A lot of it can happen concurrently, but if it's a utility that's building it, the CPUC is the primary process that needs to happen first before other processes can move forward. Yeah. And then, depending on who your federal agency is.

Robert Pontelle

And even if the CPUC, even if the CPUC is the lead CEQA agency, the others would be responsible agencies which typically have to wait for the lead agency to certify its secret document before they can embark on those hopefully they won't have much more to do once the CPUC is done, but typically it has to be sequential.

Chair Wicks

Okay, and, and then I assume at each different sort of hurdle here, there's a lot of different components that are required. And, you know, opportunities for things to get slowed down at...every turn. Professor, you said 33% of the projects are or sorry, projects are generally 33% over budget. Is that right?

Michael Wara

That's correct from a study that was done in '23.

Chair Wicks

And is it your sense that a piece of the contributing additional cost is the permitting,

Michael Wara

Absolutely.

Chair Wicks

And I don't know if you have the data off top your head, but if we are able to do, you know, uniform process or consolidate and streamlining effects, would that that, how much do you think that would bring down the cost?

Michael Wara

I would hesitate to say, I mean, I think the problem is that cost estimates made in call it 2024 may be somewhat out of date by the time you're actually moving dirt in 2034.

Chair Wicks

Right.

Michael Wara

And so if we can shorten that time frame, it's going to really increase the project estimates.

Chair Wicks

You'll be more accurate with your projections. Okay, great. Thank you. Ms. Petrie-Norris.

Assemblymember Petrie-Norris

Okay, just so, just two follow ups, and first picking up on Ms. Martin. You brought up AB 205, which the legislature passed in 2022, created this opt in process at the CEC. The objective of that legislation was to provide faster timelines for clean energy deployment, particularly for projects that had run up against a block in local permitting. So I think there's seven...if I'm remember, I think there's seven projects that are currently going through the first kind of round of this permitting process. And I want to ask this question of the next panel too, from your perspective, how is that process going? How is it playing out? What are some things that are working? What are some things that, in your view, still need to be improved upon?

Erica Martin

Well, I am not an expert in this process, since I have not had a project go through it, but I understand one of the challenges was the differences in the way that local jurisdictions underwent CEQA review versus the way that the CEC...underwent CEQA review. I think some of the challenges would be less if we were talking about state agency to state agency CEQA review process for an opt in. And I, so I think some of that has is being resolved. They're learning how to overcome those hurdles so that hopefully in the future, those projects will

move more quickly through the CEC process. But I also think some of the, some of the requirements of the legislation added a bunch of the existing review and certifications for resource protection and things like that at the CEC which they're not the expert, they're not experts over managing the resources. And so that maybe made the process longer, because it just tried to take all of the buckets that existed elsewhere and put it all at the CEC and maybe that's a process that also will be fine-tuned over time as more of the projects go through it. But I think that's a challenge when we're trying to repeat all the existing processes and not streamlining, just putting it in one place.

Assemblymember Petrie-Norris

Okay? So we haven't really, we haven't used this kind of consolidated process as an opportunity to kind of rationalize...

Erica Martin

Yes, right, exactly.

Assemblymember Petrie-Norris

...the process which we clearly need to do, okay, exactly got it. Other thoughts on AB 205 implementation?

Faranak Sarbaz

If I can piggyback and just add to it, I think it probably makes sense, based on the discussion we are having now that maybe all agencies have to use the same platform and...everybody gets into the same queue, and the requirements are identified. If some are exempt, let's say, from NEPA, then they just, you know, quickly pass through that step, and then everybody else...is visible to...the whole process is visible. The requirements, the documents are there. Nobody needs to ask for duplications. And on top of it, it may actually help with the staffing too, once that, once that system is established.

Assemblymember Petrie-Norris

Got it, okay. And then this is my last question. So when we've had previous hearings on this topic and heard from various state agencies, they've pointed to the creation of the infrastructure strike team as the administration's current approach to try to bust some of these silos and make things operate more effectively. Again, in your experience, how is that infrastructure strike team working in practice?

Robert Pontelle

I think, Assembly member, I think we're still waiting on to see any productive results from that strike team. I know some of the rationales for a couple of the vetoes on bills that were passed last year was the infrastructure strike team. Frankly, we have yet to see a lot of progress made from that. We would like to see that happen, or maybe revisit some of those pieces of legislation. If the infrastructure strikes doesn't work. There are so many different agencies

involved in this, and maybe there needs to be a little bit more streamlining of that effort. But to date, I don't think we've seen much progress from that.

Assemblymember Petrie-Norris

Okay, appreciate that.

Chair Wicks

Well. Thank you. Thank you very much for your testimony. We will move on to panel two now. Thank you.

Chair Wicks

And same rules apply for panel two, we'll have you self-introduce, and if you could go in order of the agenda, and we'll give you five to six minutes or so, and the timer will go off at five, just so you know you don't have to stop immediately. I don't want to scare anyone, but just if you could sort of wrap up within a timely limit there, that would be great. Ms. Huber, I believe, you are going first. And this, sorry, this is the permitting reform panel number two, permitting reform needed to facilitate clean energy generation.

Elizabeth Huber, California Energy Commission

So I don't know whether I should respond to responses that were given on the first panel for correcting, but I'm sure I'll have an opportunity later to get to it. So first I want to thank you, Chair and Assembly Select Committee members for having me here today. I'm Elizabeth Huber. I'm representing the California Energy Commission. As you know, the CEC is the state's primary energy policy and planning agency with several core responsibilities, including the permitting of specific types of energy infrastructure projects. I lead the CEC Siting, Transmission and Environmental Protection Division, what we fondly call STEP, which, along with transmission, offshore wind, and land use planning activities and oversight of the RPS certification and compliance activities, my division is responsible for reviewing and preparing environmental reviews and other technical analyses of applications submitted to the CEC by developers seeking a permit to develop certain types and sizes of power plants. For nearly 50 years—so we've got some experience here—for nearly 50 years, the step division has been the lead environmental permitting authority for all thermal power plants, that is geothermal, solar, thermal natural gas plants, 50 megawatts and greater that are proposed for construction in California. This authority also covers the projects associated infrastructure, such as electric transmission lines, natural gas lines and water pipelines that are all connected within the project scope.

This...process, known as our AFC process, is the functional equivalent of a California Environmental Quality Act environmental impact review. Issuance of the CEC's licenses in lieu of any certificate or similar document required by any state, local, or regional or federal agency, to the extent permitted by federal law, the CEC can also exempt from its licensing authority thermal power plants that do not exceed 100 megawatts, an environmental impact report is normally prepared to support a decision to exempt. When the legislature increase the

statutory 2020 Renewables Portfolio Standard, or RPS, from 20% to 33%, renewable energy capacity, especially onshore wind and large scale solar, grew significantly.

This trend continues with the statutory top targets codified in recent years, which includes 60% RPS by 2030 and 90% of clean electricity by...2035, 95% then by 2040 and then, of course, 100% by 2045. Pursuant to SB 100 of 2018 a joint agency report released in March 2021 found that...California will need a significant build out of clean energy generation over the next 25 years. And based on modeling done by the 2021 report meeting...the 2045 100% clean electricity goal will require sustained...record setting build rates through 2045. Realizing that permitting is a critical component in developing renewable and clean energy resources to meet our climate goals, Governor Newsom signed AB 205, in 2022 creating the developer opt in state level, expedited environmental review permitting process at the CEC authority for clean and renewable energy facilities, including solar PV, onshore wind energy storage, as well as facilities that manufacture and assemble clean energy or storage technologies or their components.

And then, just a couple months ago, signed into law was SB 1420 that added hydrogen gas protection projects as eligible for this permitting process. The CEC...permit through this process, in lieu of any permit that would normally be required, again by local land use authorities and most, but not all, state permits, this opt in expedited permitting process requires the CEC...to prepare an environmental impact report and make its decisions on the application within 270 days of receiving a complete application. Complete is key here. The developer must also demonstrate they will be paying prevailing wage to a skilled and trained workforce. They signed a community benefits agreement, and the project provides an overall net positive economic benefit to the local government. This process was purposely designed to thoughtfully accelerate the permitting process for certain clean energy projects while still ensuring that the appropriate activities are completed in collaboration with local state entities.

Currently, my team is conducting environmental assessments on 11 projects, four through our historic application for certification, and seven, you were right Assemblywoman Petrie-Norris, through our opt in process, which, if approved, will bring more than 7,000 megawatts online. We also are aware of another eight to 10 anticipated projects totaling a potential for another 10,000 megawatts.

Finally, I want to emphasize that the CEC license is known as a one stop shop, because unlike the two or three points that you have to do at the local level, our one license is equivalent to both a conditional use permit and a building permit. As a result, CEC is the chief building official to ensure compliance of title 20 during construction of any facility, and continues that oversight of the facility for the life of the operation and eventual closure. If the facility wants to make any changes to its design, performance, or operation, they must file a Project Change petition with us. As an example, the carbon capture utilization storage project that you're all familiar with at Sutter energy center up in Yuba County, they cannot put a shovel in the ground and begins construction unless the CEC approves it. That is a jurisdictional power plant, and

it's going through our petition to amend. So that is an example of the additional work that we do. With that I will close since the bell rang, but I look forward to your questions.

Chair Wicks

Thank you very much.

Corinne Lytle Bonine, AES

Good afternoon. My name is Corinne Lytle Bonine, and I'm...an environmental permitting director at AES, working on solar and storage projects across the western United States and onshore wind projects nationwide. AES is the next generation energy company with over four decades of experience helping the world transition to clean renewable energy, and together with you and so many of the participants here today, we're leading the change in how the state of California is powered. As an energy and environmental professional and lifelong California resident, I am so honored to speak with you today, and I'm deeply grateful for the opportunity.

The rapid deployment of utility scale renewable energy is a key component of how our state can meet a goal for 100% clean energy future and address climate change for all. And while we are leading the nation in achieving these goals, it is more important now than ever to ensure that we can meet our affordability and reliability needs. Within the current backdrop of increased uncertainty for that clean energy future at the national level, we are running out of time to meet these crucial milestones, and need to move as quickly as possible to focus on project level solutions to get us there. To that end, I see so many opportunities for permitting reform as one of the many tools that will allow for the deployment of clean energy in quantities and at the time scale needed to meet or exceed our state's goals. 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. New and future species listings under the California Endangered Species Act, or CESA clean energy projects under construction right now statewide are experiencing considerable challenges to implement appropriate protections for burrowing owls since its candidacy and until Take coverage can be authorized, the current regulations necessitated delay between entering candidacy and the California Department of Fish and Wildlife ability to issue Take coverage. Secondly, there's increased conflicts between local land use decisions made by elected or appointed officials and state goals and directives, and these have created material permitting hurdles.

Nearly all utility scale renewable energy projects are subject to discretionary action by officials who, for political expediency, have made decisions based on the desires of the most well-connected of their constituents, exacerbating the disproportionate impact of our energy infrastructure on historically disadvantaged communities and creating a significant roadblock to our statewide goals. And finally, uncertainty and permitting schedules and costs, including for surveys and analysis, avoidance and minimization, mitigation, construction and operation of all hampered renewable energy development throughout the state. Throughout our lengthy permitting processes our clean energy projects are hit with the movement of goal post for

anything from survey requirements increased demands for development agreements or Community Benefit Agreements and mitigation, whether it's for species, fallowed agricultural land, or new infrastructure improvements.

Despite these challenges, the renewable energy industry all levels of government officials, nongovernmental organizations, citizens and so many more stakeholders continue to work collaboratively to build a California not for the few, but for all. To do so, we ask for your help and consideration in evaluating and implementing some potential opportunities that we've encountered, largely in our work in other states across the country that we think California could employ. Specific to CESA, we would look for the following improvements: enhance the thresholds for species to enter candidacy to be commensurate with the level of protections afforded during candidacy. Currently, there's at least half a chance that, if it were petitioned to be listed today, the mosquito would be granted candidacy under CESA.

We ask that you give CDFW additional tools for providing take coverage as soon as candidacy is reached. CESA would benefit from revisions that mirror some federal endangered species act tool, such as the ability to issue the equivalent of a conference opinion for a species prior to its listing or candidacy, or implement an effective date for that candidacy. Either or both of these would reduce the uncertainty and material risk that any project under construction in California right now is currently going through, and with the expectation that there will be further actions to list other widespread species...as we continue to feel the increasingly urgent effects of climate change, these fixes will become even more important.

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 cancelations as part of their AB 205 jurisdiction. We ask for stricter adherence to statutory time frames for permitting under AB 205. As an example, under the alternative review process, the Minnesota Public Utilities Commission allows for a single increase of three months from the statutory six months to their permitting schedule.

Permitting schedules and costs could probably be an entire workshop in and of itself. But two additional quick suggestions, based on our work across the country. 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. And so in quick conclusion, as a lifelong California resident, I really believe that our state does not need to

choose between protecting and enhancing our environment and leading the transition to clean renewable energy. And in fact, we can and desperately need to do both. Thank you.

Chair Wicks

Thank you. Ms Mitchell, I believe you're next, yes.

Marisa Mitchell, Intersect Power

Thank you. Thanks for the opportunity to address the committee today. I'm Marissa Mitchell. I'm vice president and head of environmental permitting with intersect power. We are a clean infrastructure company and one of California's largest utility scale solar developers, owners, and operators. So I'm going to address first kind of 30,000 foot view the need for utility scale, solar and battery, energy storage in the state. We need 165 gigawatts of new utility scaled clean generation by 2045 to meet our RPS and decarbonization goals. A whopping 72% of that, more than two thirds, will be the lowest cost form of electricity in the state, utility scale, solar and battery energy storage—not rooftop, not offshore wind, not geothermal. Without utility scale, solar and battery energy storage, we cannot get to net zero. Without absolutely ensuring that 70 gigawatts of solar and 40 gigawatts...of batteries can get online on time. California cannot demonstrate to the nation and the world that this job can get done in time to avert the worst effects of the climate crisis, and if California can't do it, well.

So when we talk about permit reform, we should be talking first and foremost about facilitating utility scale solar and batteries, because it's by far the largest and most critical piece of the pie. And if we're not spending 72% of our energy time and resources getting solar, solar and battery storage across the finish line, we're not wisely allocating our limited resources to solve the climate crisis. Very little new generation will be sited in the desert region, as far as solar and battery storage goes. By enabling new transmission capacity to the region, the CAISO is planning for most of the new solar and battery generation in the state to be located in the San Joaquin Valley. The CEC has modeled that the lowest impact solar and battery development from a natural resources standpoint will be solar that is sited on retiring farmland. And what is interesting is that with SGMA, groundwater retirement, and ongoing surface water curtailment, somewhere between half a million and a million acres of irrigated agricultural lands are expected to be retired by 2040. These coinciding, convenient truths should set us up really nicely for land use and permitting success, but that can only be true of some important land use and permitting reforms.

I'd like to bring to your attention today just the greatest impact, lowest hanging fruit of them all. So existing requirements currently in CEQA require a CEQA lead agency to find that a solar project proposed on agricultural lands that have recently lost groundwater allocations in sufficient quantities to continue commercial activities. Even if they have been irrigated once in the last four years, lead agencies need to call that a significant conversion of agricultural land, a significant impact to the environment that needs to be mitigated to a less than significant level. This is despite the fact that up to 1 million acres of signal land retirements are going to be retired by 2040 and in light of the requirement for up to 400,000 acres of land in the San

Joaquin Valley to be converted to large scale solar and battery storage by 2045. CEQA should be helping match retiring ag lands with solar development, rather than penalizing such projects for land conversion. That is a result of state water policy.

In addition, the Williamson Act program, a popular tax incentive designed to keep growers on the land, has begun to penalize landowners for losing water by preventing them from making the sensible conversion to utility scale solar and battery development, given that the Williamson Act contracts cannot be canceled without severe penalties, and they can only be canceled at the discretion of local elected officials with a diverse set of constituents, and they can only be canceled after CEQA is complete

Onto permitting, 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. We can't risk something as critical as demonstrating to the world that humanity is capable of solving this problem on our inability to create clarity and certainty for the private sector that we're ultimately relying upon to solve it.

And I'll wrap by just adding that there are a lot of shiny objects out there, I think there are a lot of compelling policy distractions drawing our attention away from getting this job done. We need leaders who can clearly and easily distinguish winning from losing this race, who understand that winning doesn't happen without solar and batteries, and who understand that losing is just not an option. If there's more time at the end for questions. I'm happy to walk through a few of the distractions. I'm happy to walk through solar development and siting 101, but I wanted to keep it high level for the purposes of this commentary today. Thank you.

Chair Wicks

With ten seconds to spare. You get the award today. And I think we have, let's see, Mr. Murtishaw, I think you are next.

Scott Murtishaw, California Energy Storage Alliance

Okay, all right., thank you. Good afternoon, Madam Chair and members. My name is Scott Murtishaw, and I am the Executive Director of the California Energy Storage Alliance, or CESA. I want to thank you for the opportunity to discuss energy storage permitting, permitting issues with you, and I feel especially honored to be able to provide the male perspective on the need for clean energy on this panel today. As you know, energy storage is critical to meeting our climate and energy goals, and while the state is making progress, we need to do more.

Energy storage capacity has grown from about 770 megawatts to over 13,000 megawatts just since the start of 2020. This figure consists of approximately 11,000 megawatts of utility scale capacity and 2000 megawatts of customer sided capacity. The remarkable success in deploying

new storage capacity has made the difference between the rolling blackouts that we experienced in 2020 and managing the heat waves of 2024 pretty easily, without a single call for customer conservation to support good reliability. California has a goal of bringing 52,000 megawatts of energy storage online by 2045, which means we've done a good job, but we've only installed about 25% of the forecasted capacity needed over the next 20 years. In the nearer term, there are other pressing concerns. We need to bring a substantial amount of storage online to continue meeting SB 100 goals and to help the state meet its deadline to retire nearly 3700 megawatts of gas fired steam turbines once through cooling units, and 2200 megawatts of nuclear capacity by 2030. The state needs to replace this lost capacity, while also serving growing electrical demand driven by electrification for transportation buildings. This incredible acceleration of storage deployment has faced some permitting challenges.

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. To our knowledge, only one jurisdiction in all of California, the city of Menifee, has adopted a permitting ordinance tailored specifically to energy storage. Most jurisdictions currently evaluate and approve projects as a like use relying on permitting processes for infrastructure like electrical substations. 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.

The...proliferation of moratoriums threatens our ability to deploy enough energy storage to continue meeting greenhouse goals while maintaining reliable service. The rationale for the moratoriums has been concerned about the impacts of energy storage fires and specifically air emissions, runoff water contamination from firefighting efforts, and the possibility of the propagation of fires to adjacent properties. But safety events are rare. A recent report showed that per megawatt capacity deployed, incidents have fallen by 97% from 2018 to 2023 globally. There have been a few instances of partial overheating or full thermal runaway in California, but ensuring the public understands the numerous regulations and requirements that govern energy storage to ensure safety is a key priority. I want to be clear. Energy storage systems are safe. In the US, no deaths have occurred because of fires at utility scale storage facilities, and the only instance of first responder injuries occurred in 2019 before the creation of the current...facility design and firefighter training standards. Air and water quality monitoring at incidents in California New York have consistently found no emissions exceeding exposure thresholds during these events. And even in the case of the Otay Mesa event, California's largest energy storage fire, readings were taken as close as 15 feet from the

incident did not detect any levels that exceeded exposure thresholds. Safety measures start at the various codes that apply individually to battery cells and modules and the ancillary equipment, such as the HVAC electrical components and safety systems. Additionally, the National Fire Protection Association has a rigorous standard...NFPA 855, that governs the overall design of energy storage facilities. This standard is incorporated into the California Fire Code, and another update will go into effect in 2026. CESA supported the passage of SB 38 in 2023, which requires energy storage facilities to develop energy emergency response and evacuation plans with local jurisdictions.

Another layer of this, the numerous ways that safety and energy storage facilities is ensured, is that the PUC is in the process of finalizing operation and maintenance requirements for energy storage facilities and requirements that the CPUC will audit during site visits to these facilities. All of these different codes, requirements, and processes work to ensure that safety of the systems for any on site staff of first responders and the surrounding communities, but communicating this information to the public as well as local decision makers can be challenging. Some of it is highly technical, and we have found considerable amounts of misinformation circulating on the internet. But the industry is working hard to translate this information to the public and additional statewide outreach and communication about the importance of energy storage to our to our grid, to reliability and our climate goals, as well as the numerous ways that public safety is ensured, would be helpful.

While we have been actively providing resources and education in many of the cities and counties currently in the process of updating their zoning ordinances, other jurisdictions beginning the process are unfortunately repeating a lot of that work and in some cases replicating moratoriums resulting in costly delays for energy storage projects that were well along...in their path through the permitting pipeline. Additional resources and guidance to local jurisdictions could be helpful. We also are grateful for the AB 205, CEC opt-in process, but this process is new and untested, and the development community...is waiting to see the outcome of the first wave of applications. Some developers have pulled applications from local jurisdictions due to delays or threatened moratoriums and have resubmitted them to the Energy Commission, but many developers would prefer to continue working with local jurisdictions. We're just concerned about the spread of moratoriums and ultimately the patchwork of requirements that may result from each local juris jurisdiction crafting its own bespoke permitting process.

I think one other action that the state could take is just to help educate local jurisdictions and facilitate the adoption of more uniform permitting requirements. We have been in discussions with the Office of Business and Economic Development and the Office of Land Use and Climate Innovation on the concept of crafting a model ordinance for California that could facilitate and expedite the process of ordinance adoption by local jurisdictions. Our sister organization at the national level, the American Clean Power Association, issued a model ordinance earlier this year, and their model ordinance mostly defers to the NFPA 855, standard for most requirements, and makes some recommendations regarding which land use zone

should allow energy storage by right and which should require conditional use permitting. We support that model ordinance. The state of New York has also adopted its own model ordinance that the legislature could look at. But this would be one, one very concrete way that the state, through the legislature and the executive branch, I think, could help just provide the resources to the local jurisdictions to facilitate their work. Thank you.

Lora Anguay, Sacramento Municipal Utility District

Good afternoon, Madam Chair, members of the Select Committee. My name is Lora Anguay. I'm the chief zero carbon officer for the Sacramento Municipal Utility District. Thank you for your time today and for the opportunity to share SMUD's clean energy development goals, some permitting related challenges that we've encountered, and some proposed solutions. SMUD is a municipal utility. We're located in Northern California. We serve a population of about one and a half million people, and we've got a peak load about 3300 megawatts. We're currently, or we're governed by an elected board of directors. In 2020 that elected board of directors adopted a climate emergency declaration in response, our SMUD staff developed our zero carbon plan, which aims to eliminate emissions from our power supply by 2030. That plan was adopted by our board in April of 2021, and then we submitted it to the California Energy Commission as our updated Integrated Resource Plan.

It's been over three years since the adoption of this plan, and we've so far added about 300 megawatts of new renewables and storage, and we expect another 900 megawatts to come online by the end of 2026. We're also evaluating an additional 4000 megawatts of new projects at this time. I would say that one of the biggest challenges for development of utility scale renewable projects is pertaining to permitting uncertainty. 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.

For instance, a wind repower project that we recently completed was delayed by over a year due to a land use plan that effectively excluded development of new wind or repowering of existing wind in the wind resource area. A local land use commission established a policy of no new impact to a nearby Air Force Bases radar and effectively asserted that any change in height or addition ...of turbines in the wind resource area is an impact. Relying on that plan, the local airport land use commission...denied approval of our wind repower project, and challenged our CEQA document, even though the base commander confirmed that there were no impacts to the radar or the base's operations. The release of the final environmental impact report was delayed by over a year to address those concerns.

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. An example occurred on the solar and battery project that required a zoning

entitlement. It took over two years to get the local entitlements with local jurisdictions wanting to obtain funding from the project to support a local environmental program and to replace the lack of property tax dollars that they perceive they would get from development if there were no state tax exemption for new solar construction. That delay...led...to the project being significantly delayed and added to risk and higher costs for the project. Making matters even more complicated, there are jurisdictions that have prohibited certain types of clean energy projects. For instance, a city within our service territory has adopted a zoning code that does not allow commercial solar in any part of the city. Another county outside of our service territory, but where we currently have access to transmission, does not allow commercial solar on land zone for agriculture.

SMUD is excited about the work that this committee is doing, and we're looking to find mutually beneficial solutions for permitting delays and road blocks. And we've developed some potential solutions that I can quickly highlight. One of the potential solutions, for example, with wind projects in particular, would be to require local agencies to establish that 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. This gives certainty to the project. This gives certainty of what it will take for a project to be approved, giving transparency to developers.

Financial incentives to local jurisdictions can also help ease permitting delays. As I previously highlighted, one delay on a solar project was due to the county wanting to replace the lack of tax dollars they perceive they would get from development. The new solar construction tax exclusion, while it's beneficial to solar development, it is impacting local jurisdictions and their interest in moving forward with these types of projects. The state should consider an incentive program to replace that tax funding...as a potential solution to this challenge. Further, to counteract cities and counties placing moratoriums on renewable development, pro renewable development policies could reward or incentivize counties and local jurisdictions with funding to counteract the anti-renewable policies that we are seeing. Thank you for your time, and I look forward to answering any questions.

Chair Wicks

Perfect. Well. Thank you very much. We will now turn it over to questions from my colleagues. Who would like to go first? Okay, Ms. Petrie-Norris.

Assemblymember Petrie-Norris

Thank you. Well, thank you. And I just, I'll say I really, really appreciate. You gave us a lot, I think, to take in, and I really appreciate the numerous very specific suggestions, and look forward to following up with all of you offline to see what we need to do to move some of those forward. But I also think that as we consider new proposals and new ideas, I think it's also

really important for us to make sure that the legislation we enacted's actually working and that things are living up to the hype, as it were. So I do want to date a little bit...into AB 205, and Ms. Huber, you, you spoke a little bit about the implementation of that from the CEC side. And sorry, who, who has a project that's going through this process right now? You do, okay. All right, so I think we've heard that there are some opportunities for improvement. There's been some suggestions. Would love to just understand from you a couple of things. I guess the first being, do you think that there is an opportunity to rationalize? We heard from the last panel that the CEC has kind of taken all of the existing sort of hoops and now it's located those under one roof. Is there an opportunity...for us to rationalize some of that? Is that work that the CEC is undertaking? Are there places where you need statutory authority to actually do some of that rationalization?

Elizabeth Huber

It's a great question, and I just want to emphasize that we have six licensing and compliance programs that requires the CEQA team. So...we do have subject matter experts out that we contract with. We don't have a biologist that knows about the fringe toes lizard that moves with the sand dunes as they move, so we contract out. But we have scientists and engineers in house. So what we're being asked to do within opt in is, is there's differences to our application for certification, or AFC process, because it's a functional equivalent. But we feel that...there are things that we can do to improve the process, but most of the functional pieces we do have because of the legislation you recently passed, but also because of the AB 1575, the Warren Alquist Act, that created us.

Some of the things where we think that would be helpful in this process is, one is education. We feel, if there are recommendations to the opt in is that we need from the legislature, clear defined project descriptions so a developer knows exactly what we need when they do apply. Right now we, you know, look at Appendix B that under CEQA that requires certain questions that we have to ask from 22 topic areas. So, and some of those topic areas are sequential, so we can't look at, you know, the transportation coming in and some of the other components, if we don't know what the description is for how they're going to get water in there, right? And...we can't assess the facility design when we only get, you know, anywhere from a 10 to a 30% design completion. And a lot of times, we're working directly with developers, architects, as they're developing, you know, and sometimes even recommending, maybe use this style piping, or maybe it should be sized this way or that way. So we're doing it in conjunction with them. The other piece that's important is site control. So one of the things that we have, you know, would like you to look at is that in our in our 50 year history, we've licensed over 285 projects as of 2022 and only 180 of them actually were built. And a lot of is because they didn't have the site control, or, you know, the lease from the local agencies, or they weren't able to purchase the land.

So we're expending a lot of resources on projects that, you know, the odds are they're not going to come to fruition. You know, another recommendation you know we would like to make is that under opt in, you clearly state, 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 are 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. You know, on a more efficient and...shorter timeline, just by the process itself, even if you kept the 270 days.

And then the other piece that specific to the CEC that we have in our application for certification process that...we weren't given under the opt in is the is the deemed complete. And this is critical when we talk about licensing. So the good news is, we're, you know, the Darden Clean Energy Project down in in West Fresno County, that Marisa is here speak, you know, speaking of it's one of two they've submitted with us is deemed complete. And then, of course, Fountain Wind up in Shasta County. I want to emphasize to the first panel, I hope she's still here, everything we do has to be docketed. And I and so I can speak to almost anything, because it's...in our public docket, and sometimes that, as I think Marisa will speak to is, sometimes it's easier just to sit and have the conversation once we, you know, make our initial, complete list of determination, and then we can have some of these technical to technical staff conversations.

What's happening right now is, is the fact that these resources are having, and this is the staff, they're having to do data set requests, and everything has to be docketed. So, you know, you in, so you're making sure you're dotting, you know, every I and crossing every T in that communication. Now we...have the ability to talk, and I do with my counterpart at Intersect Power. We meet regularly, we bring the management teams together, you know, when things are lost in translation. But if we could do more of that and spend more time doing that then, you know, than spending time putting data sets in, into the docket. Because once we deem it complete, that's when we actually start doing the data analysis, the modeling, the, you know, research, of studies and assessment, and where we start looking at, you know, what is significant, what's not significant. And then if they are significant, we have to start looking at mitigation measures, because a mitigation plan has to be put be developed, and then it becomes part of the conditions of their certification. One of one of the benefits of the opt in and the FC process that our license is in lieu of other licenses, as we said...and that is what would be helpful, is it requires us, so you don't have to go to CDFW to get a take permit, incidental take permit. We do that. So we work on those beautiful little burrowing owls that we saw last month. And now that, now that that is going through the Endangered Species listing process, but we still have to do the permit.

What would be nice if we could administratively hand over the application, and then these agencies actually and local governments do those pieces...of the processing of the permit. So we'd still do all the paperwork, we just need them to administratively do that, because that takes time. But then I also, you know, I want to mention two more things...that makes it challenging is, is the fact that the understanding. And that's why, when we talk about, you know, what do we need in order to do our EIR. And under opt in, we have to ask every question up front, because once we deem it complete, unless we show good cause, we can't

go back and say, oh, by the way, this or that, we have more flexibility under our AFC process. And because of that, you know, I think these initial applications...we're being cautious and to ensure that we have everything that we need before we deem an application complete. The other piece that happens is, and I know Marisa could speak to this, 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—because they can take as long as they want, right, some take up to six months to respond back to our data requests—but if we could 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 all our different licensing and compliance programs.

And then one last thing that's a sidebar is because of supply chain and transformers being hard to order and infrastructure, the city of Menifee was mentioned. So one of the first things I did when I came to this division was do the decommissioning and closure...of Inland Empire in the city of Menifee. And what we did was a cradle to cradle, I like to call it, and that's because we, as I said, we're the chief building official, so we have oversight through the life of a project. So what we did was we went to the commissioners and said, we'd like to, you know, approve this decommissioning plan. But what's unique about this plan is that we're going to keep the infrastructure. We're going to keep actually the building, the offices, administrative buildings, and so when NextEra sold it to Cal pine, Nova Bank actually utilized the existing infrastructure. So they didn't have to go find a transformer. The transition network substation was all right there. And from the time we decommissioned it in 2021 and it came online by the fall of—the spring of '24, so in like three, three and a half years. So these are things that we are trying to look at from my division's perspective, from land use planning and transmission planning, but I wanted to bring that to your attention, because I think it's a wonderful example...of all these entities collaborating and to ensure a project can get online, and now we have 680 megawatts there.

Assemblymember Petrie-Norris

Great. Well, and I appreciate the, yes, thoughtful way that you're thinking about this initial rollout of AB 205, and reflecting on opportunities to make it work better so that we can achieve our goals more quickly while not taking any shortcuts. And I'd love, Ms. Mitchell, if you could just share a little bit more about your perspective on opportunities that we should be thinking about in terms of improving upon AB 205, to ensure that the implementation is in line with the intent of the legislature. Thank

Marisa Mitchell

Thank you, yes. And, oh, sorry, thank you. So my company has two projects going through the process. We're still at sort of the beginning phases, so we, I don't really truly have an opinion on whether the process works yet or not. Two things that we've experienced so far. Elizabeth mentioned that when you apply for certification under AB 205 you're also applying for a

building permit equivalent. There is a reason why at the local level, building permits are ministerial, and the land use permit is discretionary. And especially for a 9000 acre site, for example, and with a highly modular technology like solar, you want to maintain flexibility so that the CEQA process can identify alternatives and mitigation measures to reduce and minimize impacts. If you're applying for a building permit at day one, before you even start CEQA, you're being asked to lock in that design way too early. So I think...there should be a two-step process. I think there should be an environmental review step, and I think there should be a check the box ministerial, yes, you designed the facility in compliance with the California Building Code, electrical code, etc, and in compliance with the environmental review, and that should also have time frames. The other thing that I would offer is that some projects are really, truly unable. None of the projects that we are working on are controversial in any way. We didn't flee the local process because we didn't feel that we would get approvals. We did want to make sure we got the ELDP certification, which you can get at the local level through SB 149, although I will offer that local jurisdictions are pretty confused by that, and it is cumbersome for them, and they could use better guidance from OPR on that. But the CEC, to my knowledge, does not have Eminent Domain Authority, which means they cannot override something like an easement that you might need from a local government where you need to cross a county maintained road, for example, or encroach upon a county maintained road to enter a substation. Many, many substations in California are surrounded by county maintained roads, so this is a little bit of a gap where you could do everything else right, but still have that pathway closed off to you. So those are the two things we've noticed so far.

Assemblymember Petrie-Norris

Thank you. That's helpful.

Elizabeth Huber

And I want to add to that, one of the things at the state level that every state agency has, State Lands Commission, California Public Utilities Commission, is in our, when we do environmental assessments, EIRs, we also have to look at what we all fondly call our LORS, laws, ordinances, regulations, and standards. So you'll have an entity, a developer, that went through the local process, and then they may come to you and say, well, the local government only saw found four things that needed to be mitigated, but the CEC or the CPUC is finding six. Well, usually those other two is because we have to look at the local ordinance. So if there is an ordinance in place for no large wind or it's a timber zoning and not for, you know, development of cleaner renewable energy, we have to mitigate those ordinances. And those are things at the local level they don't have to do. So, in addition to the easement issues, we also, you know, are, you know, having to do override or overriding considerations.

Assemblymember Petrie-Norris

Understood, thank you.

Chair Wicks

I would love to get just the perspective of, let's see, for those of you that have clean energy generation in other states, if you could just draw some comparisons of what it is like in other states versus California, that would be helpful.

Corinne Lytle Bonine

Sure. 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.

Chair Wicks

Does that lead a company like yours or others potentially to potentially not do as much projects here because of the uncertainty?

Corinne Lytle Bonine

Yeah, I think it's, it's, it's certainly a potential, you know, when we're, you know, especially with some increased uncertainty at the national level, when we're having to make hard decisions with where we put our development dollars, you know, we need to look at what is going to have the most, you know, likelihood to return and to be successful, and when we're, you know, looking at a five, seven, 10, year process and just unimaginable amount of upfront capital dollars, it's increasingly hard to say, yes, this is where we should build.

Chair Wicks 1:57:44

Okay. I appreciate that. I think, I mean, those are the kinds of things that I think that we want to unearth here. And I would also just recommend, as we've discussed in the last panel, if there's concrete proposals that I know many of you have suggested some of those here in this hearing, but in writing too. You know, I think us, and I think others in the legislature, want to make sure that we're doing everything we can to ensure that we are actually building and transmitting the renewable energy that we know we need to meet our climate change goals, particularly as we also look at the fact that we're going to need to build 2.5 million homes. We have AI with data centers. We've got a lot of energy needs beyond just our current ones. And then just the last thing I'll say is, you know, we all do bills. We think we're geniuses. But then when the bills go out into the wild, AB 205, or other things, you know, there's often needs to come back to clean that up, to refine things, to make things work better, ensure that the intent of what we're doing is actually being implemented the right way. And so just again, active participation, and ensuring that, as we do bills with the intent of streamlining, that we work in partnership to think through, how do we make that actually better?

Anything else that you'd like to add, either of you?

Assemblymember Quirk-Silva

Just on the CEC, I think it's Elizabeth, yes, thank you for your presentation. But I guess what I would ask, and it's been asked indirectly, is, what would you change to streamline the processes through your purview, through the agency that you're operating, because it still

sounds like even with AB 205, and there's work...to be done on it, or challenges. I mean, what would you do? What would you be your number one thing that you would say, like, if I could make the decision today, I'm going to do this, because I know it would make it a lot easier to get some of these processes or permit approvals through?

Elizabeth Huber

Again, this would be Elizabeth Huber, and not necessarily you know, the feelings of the—

Assemblymember Quirk-Silva

That's fine. You've been working. You have an opinion.

Elizabeth Huber

Yes, and I have worked at Del Monte and AT&T so I understand how to how it is on the other side it. I think if there was clear direction at, you know, we, we passed bills for, you know, like the 49ers stadium, you're looking at bills right now for streamlining for the Olympics coming in 2028. What are the things within—what's working in CEQA is that it does address questions, but what are the questions we really need to address when we are doing environmental impact report? We feel like we're proud of the work we're doing. I'm proud of the team that I work with and call my colleagues, but it is, it is a lot of work, and it's a lot of frustration, you know, from the developers, because we keep asking for more and more information in order to, you know, to feel comfortable in moving things to a less than significant impact. So if we had clear, you know, direction as to, what do you really want us to look at when we're looking at the air quality topic, the, you know, the wildfire topic, the land use, you know, topic...And then what is, you know, the priority, you know, with the legislative guidance? You know, we get feedback that, you know, this was created because we do want to deploy all this. But our interpretation is, yes, we want to deploy this within the time frame given, but we also have the understanding that we want to also follow CEQA to the law and...not make decisions based on...what our, you know, our goals are, but how can they complement our goals? But if you gave us parameters of, you know, sliding scale that, oh, you would accept this, you know, not that, it would give us more guidelines in what we would make in recommendations of approval or not approving a project. I don't know if that was helpful.

Assemblymember Quirk-Silva

No, that's very helpful for me, because I've been working in the space of housing, mostly. So on energy, of course, we vote on it as a whole body, but I haven't been on the Energy Committee or utilities. And I think you hit it right there, which is, we have a lot of competing goals. I mean, we have the governor talking about whether it's electric vehicles, all of the things we're going to do in the energy sphere. And then, on the other hand, we have CEQA, and there are a lot of conflicts between that. There's a lot, and it puts legislators in the position of...I'm, you know, I want to protect the environment and do all these things, but I also want my constituents housed, or I want to make sure energy is affordable for them, their utility bills, and so they're very much in conflict. And this is myself entering my last term, so a decade now at the state, and I've been right there in the middle where I've heard both sides, and I think it

has bogged us down. I think that we can be paralyzed with this. And you mentioned two of the projects, or at least one. I think I've been there for three projects, that golden arena that was 2012 at Sofi, and now we're talking about the Olympics. So when we say something like that, and we want it, it gets done, right? But all these other processes we want streamline, we want to bring these transmissions on to provide the energy we know we need. But are we saying two different things at the same time? And I think that that's very difficult when people are trying to do business in California. Thank you, though.

Chair Wicks

Great. Well, with that, thank you for the panel today. Appreciate it, and we'll move on to our third panel of the day. And this is a bit of a broader topic. It's permitting reform and the environmental justice considerations. And again, we'll let folks, if you could, start in the order of the agenda and self-introduce. And folks will have five to six minutes, but we'll be a little loosey goosey. But you know, when you know, when you hear the alarm start to try to wrap it up a little bit. And you can begin when you're ready.

Nataly Escobedo, Leadership Council for Justice and Accountability

Hello. So I'm up first. Good afternoon. I'm Dr. Nataly Escobedo Garcia. You can call me Nataly. I'm here to provide comments on behalf of Leadership Council for Justice and Accountability. Thank you for having us today, and thank you Assemblymember Wicks for including an EJ panel during the hearing.

We're all gathered here today because we share one goal. We want California to be able to withstand and handle the ever-growing impacts of climate change. To reach this goal, California has a lot of infrastructure to build in a short period of time. Because of this, California has been pursuing streamlining the efforts for the last two years. This can be made to be an extension of those efforts. While we appreciate the committee's commitment to enhancing critical infrastructure like water and housing and the urgency around meeting our state's climate goals, we do have reservations about pursuing further streamlining and for whom this will be pursued. Frontline communities often lack access to basic infrastructure, like roads, lighting, drainage, adequate water, and energy infrastructure.

This is particularly pressing in rural areas of the state. We're in the Coachella Valley today, where communities in the eastern part of the valley often suffer from multi-day power outages due to our...outdated energy infrastructure, major wind storms and dilapidated housing. In order to be able to withstand the impacts of climate change, frontline communities like those in the eastern Coachella Valley will first need to access this basic infrastructure before we can even begin to...protect them to withstand our extreme climate. In prior hearings, topics such as recharge and safe drinking water have been raised. In regards to both of these issues, we have concerns about whether permitting reform will effectively achieve objectives such as drought and flood resilience.

We believe that further streamlining for projects like recharge is currently unnecessary. SB 122 has already established an efficient process to capture flood flows for recharge needs. Additionally, we are not convinced that permitting delays are preventing access to safe drinking water. I worked on over a dozen drinking water consolidation and wastewater extension projects, and in my experience, delays in permitting has...not been the issue in moving forward these projects. What we're finding more as a consistent obstacle is affordability. Rural communities often have to pay for water twice, once paying water rates for water that they cannot drink, and then paying for bottled water to supplement non-potable water in their homes. While we have funding like the safe and affordable fund for equity and resilience that is providing much needed funding for upgrades to water infrastructure and Frontline communities, this funding does not cover the long-term operations and maintenance costs that customers will inevitably need to take on. As stated in our letter, the letter we submitted to the committee, along saying over a dozen EJ partners, we welcome a conversation about speeding up planning, design, and construction of projects that will directly connect frontline communities to critical infrastructure, and projects that will provide meaningful and direct benefits to disadvantaged communities

In the context of water and energy infrastructure, we have presented two definitions of what a project that meaningfully and directly benefits frontline communities must include, but I do want to stress that those definitions incorporate meaningful community engagement and support along with effective environmental protection to prevent harm to already over polluted communities and bedrock principles that cannot be compromised in the name of permit streamlining. 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 disadvantage, disadvantage, 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.

The primary objective of the project must be to provide said benefit to members of one or more disadvantaged communities, disadvantaged unincorporated, severely disadvantaged, and or vulnerable communities. Absent completion of this project, the resulting benefit to the communities...would not have occurred. The project will not negatively impact or degrade other resources or quality of life in these communities, included, but not limited to air pollution, noise pollution, water pollution, loss of fisheries or other negative impacts identified by the benefiting community. The project proponent affirmatively demonstrates that the disadvantaged community, disadvantaged unincorporated community, severely disadvantaged, and or vulnerable communities were engaged in developing, has agency over and supports the project. Additionally, the project's benefits directly address the

disadvantaged community, disadvantaged unincorporated community, severely disadvantaged, or vulnerable communities' needs, needs which have are expressed directly by the community. We agree that resources and legislative support, legislative efforts should be dedicated to ensuring a just climate transition for all Californians, and to build climate resilience. We also believe these goals can be achieved without slowing down projects...and without undermining environmental justice communities ability to weigh in on proposed project. However, because of the nuance in these different permitting processes that have been raised in this committee, we believe there are still more conversations that need to be had, especially directly with frontline communities before we pursue any permitting reform. Thank you for your time, and welcome any questions you may have.

Chair Wicks

Thank you very much. Mr. Gaytan, you can go. Thank you.

Fernando Gaytan, Earthjustice

Yes. Good afternoon. Thank you, Chair Wicks. My name is Fernando Gaytan. I'm an attorney with Earth Justice. Earth Justice is a national 501c3 nonprofit public interest law organization that centers our work on protecting public people's health, preserving wildlife and natural spaces and advancing clean energy as well as combating climate change. But I'm part of the California Regional Office, and I focus primarily on the impact of air pollution from freight and logistics industries on communities throughout California. But more specifically, my recent work focuses on working with coalitions that include environmental justice organizations pushing for health protective regulations at local air districts and the California Air Resources Board to really address pollution from ports, rail yards, and warehouses, as well as district distribution centers and other freight infrastructure. And so I'm very grateful to that for the select committee for inviting me today to address the important topic of the impact of two environmental justice communities from permitting and permit reform.

This is the last panel, and you're spotlighting an issue that impacts the potential impacts on environmental justice communities. But it's important to put things into context. I'm going to take a slightly different approach here and try to put things into a broader context in terms of discussing the unique role that the California Environmental Quality Act, or CEQA, plays, specifically when it comes to safeguarding environmental justice communities and offer them protections. And so in doing that, I'm going to echo a lot of the comments that my colleague, Sean Hecht said. He's managing attorney of the California Regional Office for Earth Justice, and gave a testimony at the legislature's Milton Marks Little Hoover Commission on California State Government, Organization and Economy earlier this year, his comments focused in large part on the critical gaps that CEQA covers in promoting environmental justice by offering what is often the primary effective legal tool available to disadvantaged communities to protect themselves from pollution related health harms. And so if you'd like, if you think it's helpful, I do have a copy of his written testimony that...I can submit to the record.

As you know, CEQA has long been the cornerstone of California's environmental protections, requiring government agencies to evaluate and disclose environmental impacts of projects and mitigate the significant harm. But for communities already disproportionately burdened by pollution, CEQA actually is often the only law that ensures their voices are heard when harmful projects are proposed in our neighborhoods. CEQA is not just about protecting natural resources or places, but it's about protecting people, and especially the most vulnerable among us. Environmental justice communities often already face disproportionate health risks due to proximity to industrial facilities, highways, and other polluting sources. In many cases, no other state or federal laws provide quite the same procedural safeguards to ensure that they are not harmed or marginalized in the process that ignores the harms that might be embedded in a project, and so the toll disproportionately paid by environmental justice communities is quite stark when you dig into the statistics.

Take, for example...as we heard earlier, we're in this region of Southern California...that includes the Imperial Valley, and most of the Imperial Valley communities surrounding the Salton Sea are disproportionately burdened by multiple sources of air pollution, according to the California Environmental Protection Agency's calenviroscreen. This mapping tool shows that the Imperial County to our south falls in the bottom 2% when it comes to health community conditions statewide. The census tracts also in these communities have overall high scores on calenviroscreen, three that include up to 98 out of 100 for poverty, 98 for asthma, 100 for impaired waters, and 98 for population, other population characteristics.

These communities in the Imperial Valley are predominantly Latino, and many of the households living in communities like Nyland, Calipatria, Brawley, and surrounding communities suffer from baseline poor air quality. Imperial County has more than double the state's general rate of asthma-related emergency room visits and hospitalizations for children. The asthma rate for Gray Smith Elementary School in Nyland, for example, is nearly double, the asthma rate is nearly double the national average. Nearby activities include thermal power generation, which produces emissions of non-condensable gasses such as hydrogen sulfide and dust associated with the continuing shrinkage of the Salton Sea, and industrial waste and soil contamination are also of concerns in the Imperial Valley, as we have seen, a history of spills and of arsenic and lead containing waste associated with pipe corrosion and other factors. The county's residents also suffer from poor water quality, as we heard earlier, due to the contamination of water from canals of the Colorado River.

So within this backdrop, we have to pause and ask, what additional sacrifices do we want this community to make, and what projects to line up and the role that CEQA plays in protecting these communities when it comes down to really analyzing what additional projects are going to come into their community. I want to highlight areas where CEQ has actually helped spur innovation and really change the dynamic when it comes to projects and how they're carried out. And two in particular come to mind where environmental justice communities, environmental organizations and residents stepped in to analyze projects that would have had a tremendous impact. One is a mega warehouse operation...that is being created in Moreno

Valley. It is the size of two, sorry, nearly three Central Parks. It's the world's largest Master Plan warehouse development. And yet, because of the engagement through CEQA process and the engagement with community folks and the settlement that resulted, it is going to be one of the state of the art zero-emissions, nearly fully electrified operations in one state of the art when it comes to zero emissions for warehouse operations. Another example is the I-710 corridor, a project that Cal Trans and LA Metro wanted to push forward to widen freeways in the southeastern communities of Los Angeles County, communities that are already heavily impacted by freight traffic, the ports, rail yards, and other industrial activities. That process led to CEQA review, comments from the public and others, including government agencies, and ultimately resulted in the decision makers deciding to reanalyze the project and vote on no-build alternatives instead. The alternative that's come out of that is an investment plan that will really work with, do outreach to the communities, work with communities to develop a plan for investments to improve the corridor, rather than doing freeway widening.

And as a result of that, the coalition that I'm a part of, the Coalition of Health and Environmental Justice, teamed up with the Los Angeles clean tech incubator project to develop, facilitate a dialogue to co-design charging infrastructure, planning with impact communities, to look at the optimal routes and that would minimize disruptions to the community and allow the community to benefit from these improvements. So to close, I'd like to offer you three points that I'd like to make. One is we need to be very careful of the unintended consequences of streamlining and permit reform, even with projects that, under face may seem benign, but are and are intended to address the state's climate and energy crisis, but that can have unintended consequence and 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. Thank you.

Chair Wicks

Thank you.

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

Okay, good afternoon. My name is Gracia Orozco, and I'm a staff attorney with the Center on Race, Poverty, and the Environment, a community based organization in Delano that provides local organizing, technical legal assistance to grassroots groups in Kern and Tulare counties.

Thank you so much for this opportunity to share our perspective on permit streamlining and, to an extent, CEQA streamlining.

I'd like to start with a little bit of background from the San Joaquin Valley, which is where we are based in. The San Joaquin Valley, Air Basin ranks among the worst air quality in the entire country. From oil and gas industries, agriculture, heavy duty, truck pollution, diesel powered locomotives, pollution from dairies, pollution from nearby hazardous waste facilities and more, our communities have historically been targeted and impacted by harmful land uses, and we agree that we need a just transition away from fossil fuels to meet our climate goals. But now areas in the San Joaquin Valley are targeted to house clean energy infrastructure projects such as carbon capture sequestration, bio energy and biomass, and these projects pose serious safety and health risks of increased pollution in the same areas that are already harmed by other industries.

Time and time again, we see that these top down approach solutions fail to include meaningful avenues for public engagement and participation, and we have seen that these models only encourage the extension of life of fossil fuel industries and do not provide meaningful and direct benefits to communities. 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.

And we need to keep in mind, as my colleague has stated, that CEQA does help make projects better. One particular concern that I'll touch upon today is carbon capture sequestration, which was touched upon in the first panel and sprinkled throughout some of these discussions. CCS is a technology that has not yet been implemented at the large scale that it's being proposed today, and it has not been tested in California, and the risks of quickly rolling out this unproven technology in our neighborhoods is so enormous. In Satarcia, Mississippi, for example, a carbon dioxide pipeline ruptured led to dozens of hospitalizations, and recently, EPA paused CO₂ injections at a facility in Illinois due to undetected leaks that went unreported for months. And today we're facing a project in Kern County by the California Resources Corporation that one of our, that it's a project that our communities are seriously concerned about due to the lack of an adequate project description, where not all carbon sources are listed, where the project would require the building of new carbon sources that would not exist if not for that project. Kern County did not exercise its authority in approving that project, and the scariest part is, is that this corporation is using this project as a means to extend their facility at the Elk Hills Oil Field.

When we're trying to transition away from oil and gas, we need to find a way for decision makers to define that these types of projects cannot extend the life of oil and gas, and we need to make sure that the public process is there to mitigate the harms of these types of

projects. CCS is ripe for reform, and we need to ensure that they do not create increased pollution. They touch upon so many different things, ground water supply, drinking water supply, air quality, seismicity, carbon pipelines, biodiversity. Respective agencies need to provide input to ensure that these projects are safe, and we need to ensure that our legislators know they cannot create additional harms already on these overburdened communities.

We have similar concerns with bioenergy and biomass. These industries are labeled as renewable energy, but they actually have increased risk of methane emissions and nitrous oxide emissions. Most biomass facilities would require old biomass facilities that have existed in the past, many in recent memory. When these plants were in operation, they were the worst point sources for particulate matter pollution, and one in Delano that we are aware of, in very recent memory, our community members know that the constant nausea and headaches and health impacts from that facility caused by that operation should not occur again. Even the San Joaquin Valley Air Pollution Control District has found that pollution created by power plants burning ag waste is comparable to that of coal power coal powered power plants.

So we also need strong regulations there to avoid increased emissions, increased pollutions if we really want to meet our climate goals. So what are some solutions? 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 clear 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.

So what streamlining might result in direct benefits to communities, as my colleague alluded to? Small rural cities and unincorporated communities need better local infrastructure for sidewalks, storm water drains, pedestrian walkways, bike lanes. We don't have a lot of infrastructure for clean bus and public transit investments that run on clean renewable energy, but we need to ensure that there are no unintended consequences, and it is imperative for communities to have a seat at the table and to develop these projects, along with developers and local government. If communities are included in the process, if they provide valid consent, then that seems reasonable. Projects and investments with affordable, resilient electrification, ecosystem protections, clean water and drinking water consolidation and open spaces that receive that community consent, meaningful consent, where they understand what is going on can be other examples. Remediation of polluted land such as brownfields are also an opportunity that is ripe to be discussed. As long as these cleanups are done thoroughly and the community is providing consent and input in the entire process, that is something that we can discuss.

And lastly, agencies need more capacity. As we have seen in the last panel last week, there needs to be more staff and more funding. If permits are taking long, we need to ensure that agencies have that staff to do that review. Agencies need more funding to hire their own

experts and not rely entirely on consultants, and this should reduce the concerns about timing. Thank you for your time and I'm looking forward to any more questions.

Chair Wicks

Thank you. Appreciate all of your testimony. I want to ask my colleagues if they'd like to ask some questions.

Assemblymember Quirk-Silva

Thank you to all three, and I think you did an excellent job in kind of, as I ended with the last panel, saying that kind of conflict between, if you want to say, our climate goals, you want to say our residents or constituents' needs, whether it's clean water, housing, all of these infrastructure needs, how do you balance that? And as you say, by not adding additional harms, and that is the big question of not only today but for future generations, is how do we move forward and progress...and meet goals but not impact the already impacted community? So I thought you did a great job. Thank you.

Assemblymember Petrie-Norris

Again, thank you all for being here. So a couple of questions. So I think all of you in...your comments kind of opened by articulating the myriad ways in which California's most vulnerable and disadvantaged communities have been the ones that have been most adversely impacted by the health and environmental impacts of our fossil fuel economy. So it then seems that these are the communities who have the most to gain, effectively, as we are making our clean energy transition and building our clean energy future. And I guess I would just, maybe I'm going to, is that correct? Do you agree with that top line premise? As a starting point.

Nataly Escobedo

I think as a starting point, we agree with that premise. However, what we find most often, especially when we're in these types of transition in the example of solar, most of the communities we work with, even if, let's say we're able to get up to the grid capacity and solar capacity we need, it will likely be decades away from actually being able to access that clean energy. The Darden Project was brought up earlier. So we work with the communities of Cantua Creek and El Porvenir. We just submitted comments under notice of preparation, and one of the things that our staff attorney flagged was that, while their project recognizes that it's south of these two communities, it failed to even recognize the proximity there within three miles of those two communities.

Assemblymember Petrie-Norris

I'm sorry, can you remind us all, the Darden Project? What is that?

Nataly Escobedo

Yes, it's a solar energy project in the West Fresno region. And we were seeing different solar projects popping up in the West Fresno region and right, like, right now, it's unclear whether those projects will actually be able to directly benefit those communities, even though the

project will be right next to them too, and Cantua Creek and El Porvenir are only two examples of communities that will be right up against solar. And you know, we submitted that as part of that, NLP, but the nice part about CEQA is that Darden will then be able to analyze potential impacts to those communities, if any, and then this allows the community to actually have the time to sit with the project and see if it's something that they're okay with having in their backyard, and give us time to see if there's any avenue to be able to have some kind of benefit for them, but all of this is only possible because of things like CEQA. So yes, I agree with the premise that we need to transition clean energy, but realistically and unfortunately, most of the communities that we work with in rural California will be the absolute last to be able to benefit from that transition.

Assemblymember Petrie-Norris

I think the, in the case of utility scale solar, which I think you know, as our previous panelists testified, is 70% of our additional capacity, you know, 70% of the new clean energy generation that we need to get to our 2045 goals is currently outlined in the scoping plan is utility scale solar, and that benefits everyone, because it is our cheapest energy source. So it's the way that we build a clean energy economy, while rates actually come down, and it's a clean, proven technology. So I think that is kind of the sort of theoretical benefit for everyone.

Nataly Escobedo

Yeah, and I see and I see what you're saying, but that's almost like a version of trickledown economics. The thought is that eventually the benefit will come to those communities. But one, it's unclear if it will actually make it there. And then two, how long it will take to make it there. Like I mentioned, most of the communities we work with are lacking just the absolute basic infrastructure. If you visit any of the mobile home parks in the eastern part of the Coachella Valley, most of them don't even have roads to get in and out of those parks. So I don't know how we would eventually somehow get them proper energy if we don't even have proper roads to get infrastructure in and out of there.

Fernando Gaytan

And I would add, thank you for the question. It's a great question, and I think it was framed as, you know, disadvantaged communities having the most to gain, but I would say, have the most to repair. And so, you know the fact that these communities have already overburdened with so many...factors, multiple pollutants, 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 like, how do 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, you know, we don't have the unintended consequence of putting out infrastructure that creates further harm, division, separates communities or instills, exacerbates existing harms. And one other thing to kind of think about is, is that you know some attempts at streamlining have been broad enough, even though you know they're framed as being within this, this clean energy rubric, they've been broad enough to encompass things that are potentially environmental,

environmentally harmful, and we've seen that from past iterations of proposals, including the by right that was mentioned earlier. And that causes us pause, because it not only broadens sort of the scope of these reforms, it starts to encroach in those protections that I talked about earlier. Those essential protections don't exist anywhere else in the law. When you think about the Clean Air Act, for example, the Clean Air Act is a very important law. Has definitely helped to improve air quality in some cases, but hasn't done that uniformly.

So it, you know, we're thinking about Clean Air Act. It's about a regional approach to air quality, where, in fact, you see folks that live near the ports suffering from higher levels of diesel particulate matter, higher levels of Nox emissions and ozone pollution...and as a consequence, higher levels of asthma, heart conditions, respiratory illness, shorter life expectancies, all of that. So when we really think about what CEQA does, it actually allows us to zero in on those acute problems that communities are facing. So that's the piece that I think, as we think about permanent reform, not forgetting that opportunity that we have through CEQA to really analyze those impacts, those cumulative impacts, on communities that are already suffering the harms.

Grecia Orozco

And I'd like to touch again as you phrased the question that these communities have the most to gain from clean energy infrastructure. That is something that is really up to debate with my point on defining what clean energy infrastructure is. If that definition includes these harmful projects that have the ability to exacerbate pollution, then we're only regressing when they have the most to catch up to the rest of the California State due to the amount of harms that they've already faced. So we really need to be mindful about those unintended consequences. When we're thinking about, don't they have the most to gain? And it's imperative that we don't think about what's best for these communities without speaking to them and giving them that seat at the table so that they can co design these types of projects that will benefit them. What do they want to see as a clean energy infrastructure? We can't foist upon these new technologies that have been untested, and tell them that, oh, it's clean now, when they have to deal with all this other infrastructure that's already there.

Assembly Petrie-Norris

And actually picking up on that, and I know all of you in your testimony also said that we need to ensure that we have additional conversations with our environmental justice communities that our frontline communities have a seat table. So I guess two questions related to that. Number one, what does that look like, you know, for us as policymakers and legislators? And also, I'd love to understand what the process of your organizations is as you do community outreach, and then, you know, represent the views of the community. How do you ensure that you have a pulse on the priorities for the community, so that as you come to advocate for us, you're reflecting that voice?

Grecia Orozco

Yeah, I can, I can start. So I think as much as the protections that CEQA does provide, there are some things it lacks, as my copanelists mentioned that a lot of notices and information...is not translated, and there's no requirement for that to be translated. So a lot of our work is really digging into these documents, these notices, to keep our communities informed in the language that they are mostly used to speaking, mostly Spanish-speaking communities, in my regard. So doing that, and then community education is clear, is very needed. We welcome more discussions on having community-based organization and grassroots groups to be involved in the co- design of these projects, so that we can do more outreach to community members who lack the time to be able to come to panels such as this, because many of our communities are working communities. In the Central Valley, we have a lot of Agriculture Farm Worker communities. And, you know, the public process that CEQA provides, yes, you can have a hearing, but not everyone can attend if it's going to be at nine in the morning on a Monday when people have to go to work. So there are still some barriers to access that that's where our groups come in to help and provide the information needed. And we would like to see those gaps filled so that we can ensure better public participation, to really ensure that these projects mitigate harms and actually can be better than what they were originally proposed to be.

Nataly Escobedo

Yeah, and we engage community on a couple of different ways. On the local level, we usually have monthly or more frequent community meetings, depending on what's going on locally. So for the example of the projects that we're seeing in near Cantoa Creek and El Porvenir, our lead meets with Cantua Creek and El Porvenir residents, usually at least once a month, if not more—they just had a meeting actually last week. On the legislative side, we actually just had a policy summit with leaders from the communities that work with across the San Joaquin Valley and Eastern Coachella Valley, and we actually spent the entire summit talking about legislation for the upcoming year, what happened in the budget process this past year, and what we anticipate to see in the legislative process the following year. That way they can actually steer our work towards the issues that are most pressing to them. And then in terms of how y'all can have more interface with community, and it's just you the comments that Grecia already made. We also definitely welcome you all to join us in the San Joaquin Valley. We're always more than welcome to introduce you all to the folks that we work with, set up meetings with the folks that we work with in District. Obviously, we'd love to be able to bring folks up to Sacramento, but for a lot of folks, that's not only is that an entire day travel, that's pretty long travel, and at that point, you're asking folks to take time off from work, which could be pretty difficult for folks that you know are on tight incomes.

Fernando Gaytan

Yeah, and I agree wholeheartedly with my colleagues and our environment mental justice partners often provide a really great framework. That's great question too, a really great framework for how to engage communities in a meaningful way. Some observations that I've made from comments submitted to decision makers is, you know, really doing that outreach early. And often and making sure that community has the information in a way that that they

can understand. It is very complex. I'll agree. I mean, CEQA is a complex thing. These projects are complex. The thousands of pages that you see in a CEQA EIR are there because sometimes the projects call for it. I mean, it's, they're very complex projects. And so really having that early outreach and really providing the information in a way that's digestible and can be understood in the person's language, so translations can be an issue. Language access is going to be an issue. I mean, we have civil code 1632, for you know, credit card contracts, for consumer loans, for mortgages that create an obligation to provide language translation. Why not have that for land use decisions that are going to impact people's health and life expectancy and community well-being? So that's one, one component. And then I've also heard that, you know, having these frequent meetings to provide the information at times that are also accessible to people that work, so in the evenings, making sure that people make them available at weekends, perhaps with childcare, so that folks in these communities can actually engage and participate and understand what's being shared.

Assemblymember Petrie-Norris

Yeah, well, and I would, yeah, posit that that would increase our participation in government for communities all across the state, you know, frontline and otherwise. Okay, I just have one additional question. So, Mr. Gaytan, am I saying that? Okay, so you gave a couple of examples of where there's been projects that you know, the fact that CEQA existed in the way that it exists, really caused those to become much better projects. But the examples that you gave were a warehouse project and a freeway widening project. I would, I would assert that we need to think about how to make CEQA fit for purpose for some of these projects. And I know the definition of clean energy sounds like it might be controversial, so let me just say, like a solar project. I would say that a purpose-built solution for CEQA for a solar project...that process should look different than a CEQA process for a freeway widening project or a warehouse project. Would you agree with that or disagree with that?

Fernando Gaytan

Well, I would actually share with you that some of the innovation that I saw that had very little to do with actual freeway widening, because if you recall on the in the example of the 710 that ended up not being a freeway widening project and instead converted into a zero emissions corridor, created a zero emissions corridor and the project there then be morphed from being a harmful community-dividing community-harming freeway expansion, lane additions and all that, to one that really looked at, how do we create the infrastructure to charge zero emissions trucks so that we remove the pollution from the free freight? And so in that process, it again, it went from a harmful project to one where community was engaged to talk about, where do we cite these charging stations? How do we route the traffic in a way that makes sense as a solution? It was because of CEQA, because the community was engaged in that process and was able to really understand the initial proposal enough to be able to offer these solutions and become co-designers, as we've been saying. So I would say there's a lot in CEQA already that allows us to provide that innovation and that community engagement that will allow...for good, meaningful projects, if you will, however you might define it. But as my fellow panel said

there are projects, perhaps...that would benefit the community, but it's how we define them, and what process we have...for informing the public about what they what they actually entail.

Chair Wicks

Thank you for presenting. I have a couple questions as well, and I would also, as we did with the other panelists, ask if you have, you know, concrete suggestions, like some of the ones you've raised, that you submit those in writing and otherwise. And, you know, we're trying to be a center of gravity around this conversation. Want all points of view, and would love to have some of that, those concrete proposals in writing. I guess, one question, and whoever wants to tackle this, feel free. But are there circumstances where you do see a need for permitting reform to streamline and expedite and have things move more quickly through the process? And if so, what would those be? Or is it your sense that sort of the status quo as this is actually the place where you think it should be in terms of time timeliness for projects, you know, housing, renewable energy projects, etc.?

Fernando Gaytan

Well, I would start by saying that we don't have status quo. We've already seen a substantial number of bills go through the legislature that focus on just that, on streamlining CEQA specifically for housing and in some cases, for other projects. So we have a lot of these bills out there, some of them that which were discussed at the last panel. And so from our perspective, it's like, it's time to kind of take a look at, you know, what else are we going to ask frontline communities to do when it comes to CEQA, and that's what causes us to want to say, let's...Look, we need to pause and actually look at, how do we strengthen the protections that exist for environmental justice communities, and how do we ensure that meaningful participation continues.

Chair Wicks

Although on the housing example in particular, you know, if you look at CEQA, it gets weaponized, right? And I'll be blunt, there's like, white, wealthy communities that use CEQA to stop housing for low income, often frontline folks who need the housing the most, you know. Now, I don't think that means we throw CEQA out. I think there's been a lot of value to CEQA, right? And I think that's the crux of the conversation here is, how do you how do we ensure that we are creating a regulatory environment where we, in my opinion, we need to fast track housing, particularly low-income housing. We have, we need to build 1 million homes for low income folks, right? How do we fast track renewable energy projects so that we can reduce our fossil fuel and reach our climate change goals? How do we do those things in a way that ensures frontline communities that you're representing do have a seat at the table, while still ensuring that these processes don't get weaponized to stop projects writ large? And I think that's the like, the crux of some of the tension here. And so what I'm looking for is like, is there a place, from a public policy point of view, that we can agree that a, we share those goals and then B, what are those policies that we want to put in place? I mean, some of the things I heard in the other panelists were, you know, better agency coordination, you know. I mean, that seems like something we could all agree to, right? There's better agency coordination to make

this more quick, right, to ensure that we're going through the necessary steps. But we're doing in a way, government's working better by having more coordination. You know, there's been a, you know, it was raised before this sort of sense of duplicative requirements. You know, is there a way to streamline some of the permitting process, not bypass it or get rid of it, but just make government work better so that we can reach these goals? And I guess those are the places I'm trying to see if we can find some commonality, so that if we put forth some proposals, it can still honor, I think, the important, you know, voice that you all are representing, while allowing us to meet the modern needs of California. So those are, that's the kind of place I'm trying to look for some like, potential commonality.

Grecia Orozco

Yeah, I can, if I can jump in, just, there's a couple of points to unpack there. So if I go out of order, please, I apologize. But first, on the point that CEQA is weaponized, I really need to push back on that. Only about point .3% of CEQA like issues ever result in lawsuits. And again, as my co-panelist stated, a lot of the time, CEQA is a way for communities to make projects better, especially if on the issues of affordable housing, where we're looking to expand sprawl for new buildings for housing, we really need to be mindful about unintended consequences. We want to avoid building housing on areas that are unsafe, where land has been polluted, where there has been you know, maybe there was a previous bill there, and we need to remediate that soil to ensure that groundwater and drinking water is safe there. And without the process that CEQA provides, community members, A, wouldn't know about it and, B, wouldn't be able to provide that input to ensure that that is adequately cleaned and safe for human living. On the issues about affordable housing, I think there's plenty of things that our policymakers can do to really advance that. We have a lot of failing infrastructure for affordable housing in the state in terms of the lack of preservation of affordable housing that we do have. In Los Angeles, I believe, there are plenty of affordable housing units that are at risk of losing affordable housing status, and we need to find ways to extend that, and not only that, but of the affordable housing that is currently available, we need to ensure that that is livable. There are declining infrastructure, there's not a lot of—there's a lot of repairs that need to be done, and we need to make sure that people are living in dignified spaces, even though they are low income. And if you are, a lot of the times, when we see these discussions about streamlining CEQA for housing, we see developers there that are clearly not affordable housing developers that are trying to opt in on this opportunity to just build, and a lot of housing that we've been seeing built in the San Joaquin Valley has not been affordable, is actually more expensive, and is a driving force for displacement, which also needs to be considered when having these discussions. So, again, back to the point about having community to the table, because I don't think anyone here is against affordable housing. In fact, our communities do need it, but we need to preserve what we have. We need to make sure what we have is safe. We need to make sure that new developments are safe, which is done through CEQA or more protections for public engagement to make projects better, and we need to ensure that it's actually affordable. What we can we do to make sure that our developers are not trying to price gouge our citizens here.

Fernando Gaytan

And if I can add to that, you know, we've, we've seen the development of many statewide and local tools to streamline CEQA review, especially in the context of housing. SB 35's complete CEQA exemption for qualified housing projects. SB 33 housing crisis act, amendments to the Housing Accountability Act, SB 9, SB 10, and many local laws and local ordinances like Los Angeles Transit Oriented Communities Program and these laws appear to be working at least on the optics of it. You know, anecdotally, I can say, you know, I live in Los Angeles, and even as these laws passed, most recently, in the most recent legislative session, we're starting to see more housing being created, and thousands of units, in fact, built near, mostly near transit and without CEQA incident. So we've got a lot of things in there that are already moving forward, but I understand that we are definitely in a housing crisis. And as Grecia mentioned, you know, from our perspective, it's that preservation, I think that is, is really critical, a critical piece that I think the legislature is starting to look at rightly, rightfully so. You know, it's, it's a place where...those displacement pressures that low income families face, you know, that does more to harm our climate goals than anything else. To have people leave their communities and have to go to far flung exurbs, where there's no jobs, you know, where there's fewer jobs and fewer access to services, does a disservice to our goals.

Chair Wicks

I would argue that they're being displaced because we're not building enough housing, right, in their communities. But, yeah, but we, I mean, we could have a whole we have had panels on this. I'd love to keep talking about the housing stuff. I would argue we need housing at all income levels, and that we have made it too difficult to build...But I want to set that aside for a second and just go back to my original question around, is there a place in permitting reform that you all see, that there's a place where we could land of, I guess the question is, do you think things need to be expedited or not? And if so, like, how would you do that in a way that is that still honors the work that I think that the important work that you are doing and representing the, you know, the vulnerable communities.

Nataly Escobedo

I actually think there's some work we could do on the back end. 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 map 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. One issue that my counterpart in housing, Jovanna, and I have discussed really often, but we haven't seen too much coordination at the state level, on is that in rural communities, a lot of times, we can't necessarily build that affordable housing because you don't have basic water and wastewater infrastructure. So are there ways in which the state water board and HCD can work together to even just map out where there's a lack of infrastructure and where there's a need for affordable housing, to be able to then couple these

different state programs that we have in place, because we do definitely have tools. I think sometimes where, you know, we definitely could do a better job, as in, even just discussion between different agencies that have tools that haven't necessarily thought about using those tools together. So I think there are, there is room to do things on the back end before we get to the permitting point.

Grecia Orozco

I'd like to add, just to reiterate, if what we previously said, with meaningful community engagement in communities, especially rural communities or unincorporated communities that lack a lot of that local infrastructure. I'm sure that discussions can be had about expediting those because they would provide those direct benefits to community members. But again, there just needs to be processes in place to make sure there's no unintended consequences and that they are actually informed about them. You know, projects about affordable, resilient, electrification, storm water drainage, sidewalks, things that will improve the community, especially with climate change. Climate resiliency centers are something that I've heard talked about a lot. We need to be able to ensure that we protect ourselves against the harms of you know, increased heat and sea level rise, but again, these things are so important for communities to be involved with because we do not want to put them in the position of further harm as they've already faced so far.

Chair Wicks

Yeah, and I think we saw that on the second panel, right? But even these climate resiliency projects are taking a long time because they're in the permitting process, and it's been a challenge, right? And so how do we figure out how we move forward with, I think, the goals that we all share around ensuring our communities are safe, on climate resiliency projects, that we have the housing we need, that we're reaching our renewable energy goals, but do so in a way that is, you know, ensuring that our vulnerable communities have a seat at the table? And that's, that's the crux. I don't forget to find all the answers today, but I would welcome further conversation as we embark on this process. And I just appreciate all of you being here today and providing testimony so and did you, sorry, you have anything else you wanted to add?

Assemblymember Quirk-Silva

I would just say, finally, I really, like I said, appreciate not only you being here but also being the last panel. I think it gives us a lot of context to really contemplate some of the actions that either individually as legislators or a state, that we've been moving forward, but certainly preservation and prevention in housing. I did have a bill last year that and we, and sometimes you may not even hear about it, that we do work on these things, and then they don't get signed or they don't get out of appropriations. But one was, in fact, to rehab our current affordable housing, because we know some of those units have been there for 20, 30, years and need that that did not get out. But I think I understand what you're saying about this community engagement in the sense that I came from City Council, and that is all about the work of noticing, but certainly, if we don't have meetings that are at a time that is convenient for working families, we don't have meetings that are noticed in different languages, there's

certainly going to not be the participation. But I will just end with my in laws live in Huntington Park, and you're from LA so you know those direct impacts, and they certainly, they're in their 80s now, and some of these health impacts are real from them living in these communities for now, well over 50 years. So it's serious when we talk about these and I know that we will, I will take back your comments and really think about some of the other information we've had today. But thank you so much.

Fernando Gaytan

Thank you so much for sharing that and on the issue of preservation, if I may. There's also a CEQA link to that, you know, because in many, in some cases, at least, you know, in I've shared this before, there are cases where communities speak out and there are projects that could demolish existing units, and so that, you know, there's a role that CEQA plays there too. So let's not forget that. And I would like to submit the written comments of Sean Hecht. Thank you.

Chair Wicks

Thank you, that'd be great. Thank you. Well, thank you very much for being here today. That will conclude our third panel, and we now have public comment. Is there a mic for public, oh, it's coming up right here. And if folks would like to step up to the mic. We're asking for one minute of public comment. Ideally.

[Public Comment]

John White

I'm John White with the Center for Energy Efficiency and Renewable Technologies, and we work a lot on transmission, and in fact run a biweekly Zoom call that has all the developers and NGOs that work on transmission. And first of all, I just want to say thanks to the legislature for paying attention. Because you all have done some really could work. Chair Petrie-Norris has done some really important work on lowering the cost of transmission, which is a significant issue. But one of the issues I wanted to highlight is the duplication and the existing process at the PUC, where we have, and this is what San Diego was referring to the earlier witness. We have two independent environmental review process. One is presented by the developer or the utility. The other is done by a consultant hired by the PUC staff. So you're duplicating the environmental review and it serves no real point. The second problem is the PUC hasn't built or approved new transmission in a really long time. For the last 10 years there was none, from 2011 to 2021. And they tend to want to take extra time and use all of their authority, retain all their discretion. And even though the Legislature has pushed them, they have pushed back and basically said we have to use CEQA to do alternative analysis even though the Cal ISO has already done the alternative analysis. So we need to keep the pressure on and we're grateful for your work and your leadership and we will help and we'll provide some specific recommendations.

Chair Wicks

Appreciate it. Thank you.

Gretchen Gutierrez

Good afternoon. My name is Gretchen Gutierrez. I'm the CEO of the Desert Valley Builders Association here in the Coachella Valley. Our area encompasses all of Imperial County, west—eastern Riverside County and southern San Bernardino County. We are engaged with over 100 agencies at the local, state, and federal level. We're part of the National Association of Homebuilders. You're probably familiar with our office in Sacramento, the California Building Industry Association. We partner with them. It's really too bad that some of your speakers have left the room because we represent housing, and the association under my jurisdiction has over 150 members that are building affordable, market rate, and high-end, everything in between. It's nice that you've had this panel here today. It's great.

Unfortunately, one of the key players that is impacting us here in this valley and in Imperial County is Imperial Irrigation district. They're not at the table today. They're not on your panel at all. We have affordable housing projects that are built here in the Coachella Valley that we cannot energize. We have families ready to go to be moved into. The project is done. We can't get meters on them. The district is significantly behind in terms of having energy standards, and you all know what I'm talking about here. Okay, that's number one. Edison is our other provider to energy here in the Coachella Valley. They're not far behind. We have projects that have stopped. We have projects that are not starting. The state has mandated to the cities that they have to get their RHNA numbers in. We're in year two of the current housing cycle. We're not certain projects, folks. We can't meet the needs that are being given to the housing community because we don't have infrastructure, primarily in the energy realm. It's not, you know, water's kind of being taken care of in the State of California, but energy is critical right now, especially for those of us here in the Coachella Valley and in Imperial County where our temperatures are and our bills are exceedingly higher. We've got to get this resolved sooner rather than later.

I did hear one of your speakers talk about doing a plan similar to what we do with our species. We have here in the Coachella Valley, the MSHCP, which is the Multi Species Conservation Habitat Plan. It protects 27 species. One of my counterpart agencies that we do business with is sitting up in the seats right at the moment. So he just heard me mention that. That's the agency that handles the protection of that plan. That gives the developer surety when they go in and they know what they're going to pay to have to deal with species. We'd like to have the same thing with energy. We have to get a will serve letter in order to do a project. Right now, we have will serve letters that have been issued. We're not getting them honored. We're also going to not get issued letters in the future. So, we're coming to a stop here, out here in the Coachella Valley and Imperial County. It's going to happen elsewhere around the state.

This is a significant problem to meet the housing needs. By the way, California is the toughest state to build housing in. We're worse than New York and Hawaii, honestly. We really are. I sit on our national board of directors. I don't like walking in a room because I get hit all over the

country when I walk in a room and they say California is there. They're like, keep California in California, don't bring our policies and our politics to other parts of the country. So thank you for having this meeting today. We hope you've gained some information.

CEQA has become a weapon. It's become a weapon against our industry, and that's a tough, tough thing. Even on affordable housing projects, it's a tough thing. So we appreciate it. We're happy to be of any assistance to you that we can be. My office is here in Palm Springs, so would like to chat further about it. Thank you.

Chair Wicks

Thank you, and just appreciate the comments. We did have a housing panel last week, and on the energy issue, we've heard that in other parts of the country, other parts of the state, as well. So I'm, I'm, we're painfully familiar so but appreciate you raising it here. Thank you. Thank you. Thank you. And with that, I want to offer my colleagues any closing comments they'd like to make.

Assemblymember Petrie-Norris

I'll just close by saying, once again, once again. Thank you, Madam Chair, for establishing the select committee. Thanks for convening us for this series of hearings. I think we've certainly just kind of scratched the surface. I. We've come away from this set of hearings with a number of very good potential proposals, and look forward to working with all of our panelists, stakeholders that participated over the course of the last several hearings. This is certainly going to be an area of priority and focus for the utilities and Energy Committee as we look at the legislative session ahead, so much more to come, and look forward to partnering with both of you to make progress on these really, really important and foundational challenges.

Assemblymember Quirk-Silva

I concur with my Orange County partner here. Thank you. And a lot of information to digest, and I think steps we can take.

Chair Wicks

Great and with that, this will be our final hearing for the select committee for this legislative cycle. As mentioned, there will be a white paper issued in January. If anyone would like to provide any input on this, please let my office know, and our hope is that from that paper there will be some concrete policy proposals that we can work bipartisan, bicameral. We have a lot of leaders in the space who want to dive in on this with hope of ensuring we can build the California that meets the needs of our constituents. And with that, with my imaginary gavel, Meeting adjourned.