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ANNIVERSARY

March 15, 2018

The Honorable Jim Wood
Assembly District 2
State Capitol, Room 6005
Sacramento, CA 95814

RE: AB 2913 – Permit Duration – SUPPORT/HOUSING CREATOR

Dear Assemblyman Wood,

The California Building Industry Association (CBIA) is pleased to announce that we have taken a support position on your bill, Assembly Bill 2913, and identified it as a “Housing Creator.” As you know, CBIA has recently instituted its “Housing Killer” and “Housing Creator” lists to be used as tools to highlight bills that will either exacerbate or ameliorate the current housing crisis. We have found that AB 2913, which would extend the duration of a building permit from 180 days to 3 years, will have a beneficial impact on the condition of housing and it has therefore been deemed a “Housing Creator.”

In order to place bills on either list, we enumerated several criteria with which to judge a bill’s merits as it relates to housing. With regard to AB 2913, we found the following:

- **Will the bill stimulate housing production and supply? YES.** This bill will increase from 6 to 36 months the period in which a builder must initiate construction on a given permitted project. This will prevent the builder from having to go back to reapply for a new permit, submit updated compliance documentation and potentially pay new (and redundant) fees for the same homes previously approved by the local building department. This is of particular importance to fire-ravaged areas that need to rebuild. With such a significant number of rebuilds to be done, one can expect delays. AB 2913 helps make sure that delay does not also mean building permit woes.
- **Will it decrease the cost to build houses? YES.** Having to reapply for a new permit costs a builder both time and money. Eliminating the need to reapply will lower the cost to build houses.
- **Will it make housing less expensive for Californians? YES.** By decreasing costs, this will increase supply and thereby help make housing less expensive.
- **Will it make any of the processes associated with homebuilding such as the entitlement, approval, or permitting processes less complicated, easier, and expeditious? YES.** It will make the permitting process less cumbersome by recognizing that (1) state and local economic conditions may have changed which have the effect of slowing down some projects and (2) California’s state and local building codes change every 18 months and that small changes in the building code should not force a previously approved project to have to go back to the end of the line and resubmit (expensive) compliance documentation and pay a new set of fees for homes that were previously approved for construction.
- **Does it encourage homeownership? YES.** Insofar as this will have a generally positive affect on the housing market and help increase the housing supply, this bill would help provide homeownership opportunities to Californians.
- **Does it decrease regulatory barriers? YES.** It significantly reduces unnecessary and inefficient regulatory barriers.
- **Does the bill propose to resolve the housing crisis fairly, with an egalitarian distribution of the solution? YES.** This bill will help all housing products.

For these reasons, we support your AB 2913 and have identified it as a “Housing Creator.” Assemblyman Wood, we appreciate your efforts to address California’s grave housing crisis and look forward to working with you on this and your other housing-related legislation.

With regards,

Erin Guerrero

Erin Guerrero
Vice President, Legislative Affairs