

California Environmental Quality Act (CEQA) Reform Legislation

Background: As part of the 2025 budget package, the Governor signed [AB 130 \(Wicks\)](#) on June 30, which created a new exemption from the California Environmental Quality Act (CEQA) for certain housing developments. The budget trailer bill took effect immediately. Below is a high-level summary to help cities digest the CEQA reform included in the legislation. For specific questions, please contact your city attorney.

AB 130 (Wicks): New CEQA Exemption for Housing Projects

AB 130 creates a new CEQA exemption¹ for a qualifying housing development project, which is defined by reference in *Government Code §65905.5(b)*, including any permits, approvals, or public improvements required for the housing development project, if the project meets the following site and project criteria:

Site Criteria

- 1) The **project site size**² is either:
 - a. Not more than 20 acres; or
 - b. A builder's remedy project on a site that is not more than five acres.
- 2) The **site location**³ must be within the boundaries of an incorporated municipality or within an "urban area" as defined by the U.S. Census Bureau, where:
 - a. An "urban use"⁴ is any current or previous residential or commercial development, public institution, or public park that is surrounded by other urban uses, parking lot or structure, transit or transportation passenger facility, retail use, or any combination of those uses.
- 3) The **site must meet any of the following specifications**:⁵
 - a. Previously developed with an urban use; or
 - b. At least 75% of the perimeter of the site adjoins parcels that are developed with urban uses; or
 - c. At least 75% of the area within a one-quarter mile radius of the site is developed with urban uses; or
 - d. For sites with four sides, at least three out of four sides are developed with urban uses and at least two-thirds of the perimeter of the site adjoins parcels that are developed with urban uses.
- 4) The **site cannot**⁶ be in coastal protected areas or areas vulnerable to sea level rise; on prime agricultural land; on wetlands; within a very high fire hazard severity zone; on a hazardous waste site; in a delineated earthquake fault zone; in a special flood hazard area; or on lands identified for conservation.⁷

¹ *Public Resources Code §21080.66*

² *Public Resource Code §21080.66(a)(1)*

³ *Public Resource Code §21080.66(a)(2)*

⁴ *Public Resources Code §21080.66(f)(3)*

⁵ *Public Resource Code §21080.66(a)(3)*

⁶ *Public Resource Code §21080.66(a)(6)*

⁷ *Government Code §65913.4(a)(6)*

Project Criteria

- 1) **Consistency**⁸ The project must be consistent with applicable general plan and zoning ordinances and local coastal program.
- 2) **Project density**⁹ must be at least one-half of the applicable density specified in a housing element to accommodate lower-income households.¹⁰
- 3) **Historic structure preservation**¹¹ the project cannot require the demolition of a historic structure on a national, state, or local historic register.
- 4) **No transient lodging**¹² No portion of the project may be designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging.

In addition to the CEQA exemption above, AB 130 also included changes in the following areas:

- 1) **Tribal consultation**¹³ Local governments are required to comply with specific timelines and processes, including inviting each California Native American tribe that is traditionally or culturally affiliated with the project site to consult on a proposed project, its location, and the project's potential effects on tribal cultural resources.
- 2) **Hazardous substance-related environmental assessment**¹⁴ Local governments must, as a condition of approval for a development, require the development proponent to complete a Phase I Environmental Assessment and preliminary endangerment assessment if a recognized environmental condition is identified.
- 3) **Air quality conditions**¹⁵ Housing within 500 feet of a freeway must comply with conditions regarding central heating and air, ventilation, air filtration requirements, and may not have balconies facing the freeway.
- 4) **Project Labor requirements**¹⁶ Specific labor requirements for housing development projects, including prevailing wage for 100% lower-income housing projects and the use of a skilled and trained workforce for buildings over 85 feet in height.

⁸ Public Resource Code §21080.66(a)(4)

⁹ Public Resource Code §21080.66(a)(5)

¹⁰ Government Code §65583.2(c)(3)(B)

¹¹ Public Resource Code §21080.66(a)(7)

¹² Public Resource Code §21080.66(a)(8)

¹³ Public Resource Code §21080.66(b)

¹⁴ Public Resource Code §21080.66(c)(1)

¹⁵ Public Resource Code §21080.66(c)(2)

¹⁶ Public Resource Code §21080.66(d)

California Environmental Quality Act (CEQA) Reform Legislation

Background: As part of the 2025 budget package, the Governor signed [SB 131 \(Wiener\)](#) on June 30, which made several significant changes to the California Environmental Quality Act (CEQA). The budget trailer bill took effect immediately. Below is a high-level summary to help cities digest the CEQA reform included in the legislation. For specific questions, please contact your city attorney.

SB 131 (Wiener): CEQA Reform

SB 131 includes changes regarding: 1) the scope of the administrative record, 2) new project-related CEQA exemptions, and 3) focused environmental analyses for otherwise exempted housing projects.

Scope of the administrative record for CEQA litigation:¹⁷ SB 131 reiterates a broad category of “written materials” that must be included in the administrative record prepared for CEQA litigation. Electronic internal agency communications (including emails) do not need to be included in the administrative record if they were not presented to the project’s final decision-making body.¹⁸

SB 131 includes new CEQA exemptions for the following project types:

- 1) **Housing element implementation:**¹⁹ Any rezoning action that implements a local jurisdiction’s approved housing element. The CEQA exemption does not apply to a rezoning that would allow for the construction of a distribution center, oil and gas infrastructure, or construction that occurs within the boundaries of any natural or protected lands.²⁰
- 2) **New agricultural employee housing projects**²¹
- 3) **Disadvantaged community drinking water**²² **and onsite sewage treatment-related projects**²³ that include specific labor requirements, funding criteria, and various sunset provisions.
- 4) **Linear broadband deployment in a right-of-way**,²⁴ including local street or road, where projects can be undertaken by a public or private entity or nonprofit corporation.
- 5) Any activity or approval necessary for or incidental to planning, design, site acquisition, construction, operation, or maintenance of a **public park or nonmotorized recreational trail facilities** with specific funding sources.²⁵

¹⁷ Public Resources Code §21167.6

¹⁸ Public Resources Code 21167.6(a)(10)(B)

¹⁹ Public Resources Code 21080.085

²⁰ Public Resources Code §21067.5

²¹ Public Resources Code 21080.44

²² Public Resources Code §21080.47

²³ Public Resources Code 21080.48

²⁴ Public Resources Code 21080.51

²⁵ Public Resources Code 21080.57

- 6) **Wildfire risk reduction activities**²⁶ that are in compliance with all other applicable laws, ordinances, and zoning requirements, including:
- a. Prescribed fire or fuel reduction projects that meet specific criteria;
 - b. Defensible space fire clearance projects up to 100 feet, as measured from the center line of the roadway, for a public roadway identified as an egress and evacuation route for a subdivision or community of 30 or more dwelling units, to remove flammable vegetation or trees of less than 12 inches in diameter as measured at chest height;
 - c. Projects consisting of the establishment or enhancement of residential home hardening or defensible space for wildfire risk reduction within 200 feet of a legal structure in a high or very high wildfire hazard zone; and
 - d. Projects consisting of a fuel break that extends up to 200 feet from structures, including the clearance of flammable vegetation and trees less than 12 inches in diameter as measured at chest height.
- 7) Specific project types that are not on natural and protected lands,²⁷ including:
- a. Projects that consist exclusively of a **daycare center** that is not located in a residential area; a **rural health clinic** or federal qualified health clinic that is 50,000 square feet or less in size; and a **nonprofit food bank or food pantry**, if the project is on a site zoned exclusively for industrial uses;
 - b. Projects that consist exclusively of a facility for **advanced manufacturing**, as defined, if the project is on a site zoned exclusively for industrial uses²⁸;
 - c. Development, construction, or operation of a maintenance facility for electrically powered **high-speed rail** under certain conditions;²⁹ and
 - d. Development, construction, or modification of a proposed passenger rail station, or design changes to a **passenger rail station** for the purpose of serving electrically powered high-speed rail under specific conditions.³⁰

Focused environmental effects for exempted housing projects: SB 131 specifies that if a proposed housing development project would otherwise be exempt from CEQA (pursuant to specific existing statutory or categorical exemptions) but for a single condition, an initial study or environmental impact report is only required to examine the effects caused by the single condition. With certain enumerated exceptions, such environmental impact reports are not required to include a discussion of alternatives or growth-inducing impacts of the housing development project.³¹

²⁶ Public Resources Code §21080.49

²⁷ Public Resources Code 21067.5

²⁸ Public Resources Code 21080.69

²⁹ Public Resources Code 21080.70(a)

³⁰ Public Resources Code 21080.70(b)

³¹ Public Resources Code 21080.1