

CEQA Reform:

How will 2025 legislative reforms to CEQA and other laws affect my community?

CivicWell Fall 2025 Webinar Series October 28, 2025

Today's Panelists



Erik de Kok, AICP

- Ascent (Moderator)
- Director of Interdisciplinary Planning



Greta Brownlow, PhD

- Ascent
- Director, Northern CA Environmental Practice Leader



Chad Beckstrom, AICP

- Ascent
- Principal, Southern CA Environmental Practice Leader



Ali Pezeshkpour, AICP

- City of Santa Ana
- Executive Director,
 Planning and Building
 Agency

Assembly Bill (AB) 130 and Senate Bill (SB) 131

- AKA "2025 Trailer Bills" signed into law in June 2025 with the FY 2025-2026 State budget
- July 1, 2025 effective date for most provisions (with some exceptions)
- CEQA "Modernization" new exemptions and other streamlining provisions
- Planning and Zoning Law amendments RHNA, housing elements, other housing-related policy changes
- Residential Building Code omits the next triennial code update and limits adoption of "reach codes" until 2031

What is the State trying to achieve with these bills?

- Accelerate Housing Production
- Increase Regulatory Certainty
- Institutionalize Key Housing Reforms
- Support Instructure and Economic Development
- Increase Wildfire Resilience
- Promote Parks and Trails

What are the opportunities and challenges for local communities?

Today's Webinar:

- Highlights some of the key provisions related to housing development and CEQA reform more broadly
- NOT an exhaustive summary or discussion review of every provision in AB 130 and 131!
- See the "AscentShare" e-newsletter series on the 2025 Trailer Bills for more information.



"AscentShare" e-newsletter series on the 2025 Trailer Bills

- CA 2025 Trailer Bills—A Deep-Dive Series
- Available at <u>ascent.inc/ca-2025-trailer-bills</u>
- AB 130 Residential Reach Code Moratorium
- AB 130 New Residential Infill Exemption
- SB 131 Expedited Review for "Near-Miss" Projects
- SB 131 New CEQA Exemption for Parks and Trails (Prop 4 Funded Projects)
- More articles to come



AB 130

Urban Infill Exemption



Eligibility

- Housing development project
- Project size: up to 20 acres (or 5 acres for builder's remedy" projects)
- Infill site
 - Previously developed; 75% perimeter developed with urban uses; 75% area within ¼ mile of developed urban uses, or at least three of four sides developed with urban uses
- Within incorporated municipality or U.S. Census urban area
- Consistent with general plan and zoning (density bonus or builder's remedy doesn't make inconsistent)



Eligibility (cont.)

- Density at least 50% of the Housing Element default density (10 or 15 du/a)
- No transient lodging (hotels, motels, etc.) if "deemed complete" after 1/1/25
- No demolition of historic structures placed on register before preliminary application
- Public Resources Code 21080.66

SB 35 Required Qualifications

Not Allowed

- Certain areas of coastal zone
- Prime farmland
- Wetlands, habitat for protected species, conservation easement, natural resources protection plan

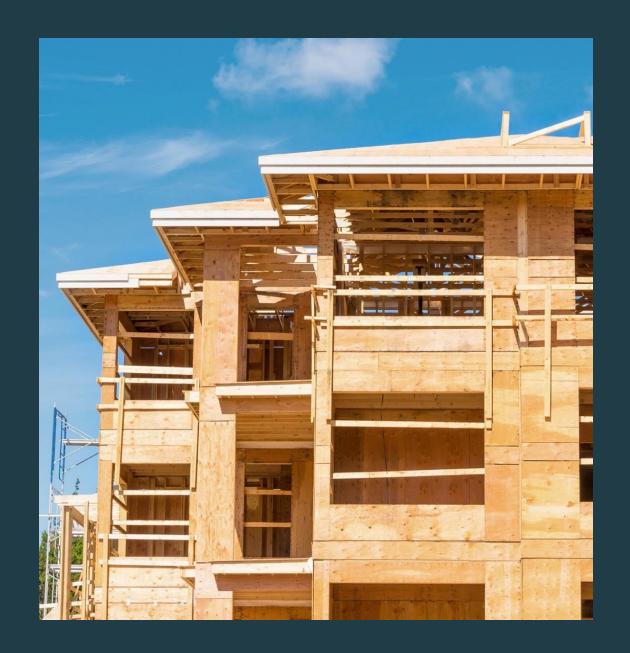
Allowed if Mitigated

- Very high fire hazard zone
- Hazmat site
- Alquist-Priolo earthquake zone
- Flood hazard area and floodway

Gov Code 65913(a)(6)

Additional Qualifications

- Labor Requirements for 100% lower income projects and buildings greater than 85 ft
- Proximity to freeway (500 ft): certain HVAC requirements and no freeway facing balconies
- Phase I and II studies and if necessary, remediation
- Certain requirements for tribal consultation



Tribal Consultation

Timeline	Requirements
 Within 14 days of: "notification" (before 7/1/26), OR "deemed compete" (7/1/26 or later) 	Notify Tribes
60 days from formal notification	Tribes must respond
Within 14 days of tribal acceptance	Initiate consultation
45 days from consultation initiation (plus optional 15-day extension)	Conclude consultation
Within 30 days from conclusion of consultation	Make decision on project

Tribal Consultation Takeaways

- Does not require that an agreement be reached, but consultation must be meaningful
 - Specific conditions of approval must be attached unless both tribe and project proponent agree that conditions can be eliminated
 - Any agreement beyond these conditions must be agreed to by tribe, local government, and project proponent
- Intent is to provide clearer rules (than AB 52) as to when consultation is completed

How AB 130 Differs from Other Exemptions

Full Statutory Exemption

- No complex streamlining processes
- Complete statutory exemption
- Eliminates environmental review requirements entirely for qualifying projects

Broader Applicability

- Applies to sites located within the boundaries of an incorporated municipality or in an "urban area" as defined by the US Census Bureau
- No proximity to transit required
- No unit caps
- Larger sites allowed, up to 20 acres (potentially several city blocks in urban areas)
- No affordability requirements for most projects
- Limited labor requirements (only for 100 percent affordable or projects over 85 feet in height)

Simplified Criteria

- Not subject to CEQA Guidelines Section 15300.2 exceptions for categorical exemptions
- Fewer and less-restrictive environmental criteria
- No need to interpret whether impacts are "peculiar" to the project or site or determine if there are "unusual circumstances"
- Clearer, more objective standards

Practice Implications

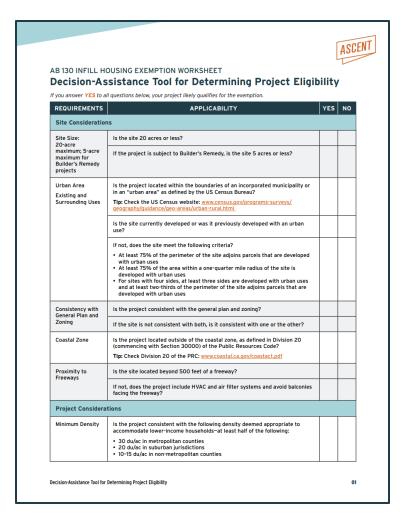
More Exemptions

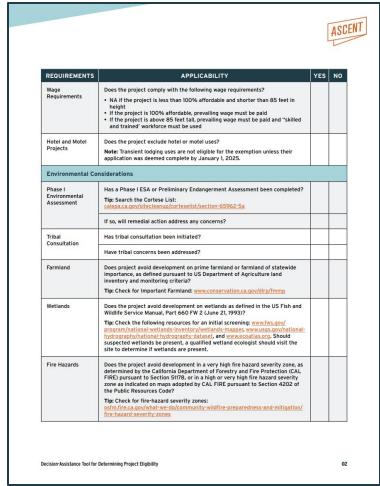
Fewer NDs/MNDs and EIRs

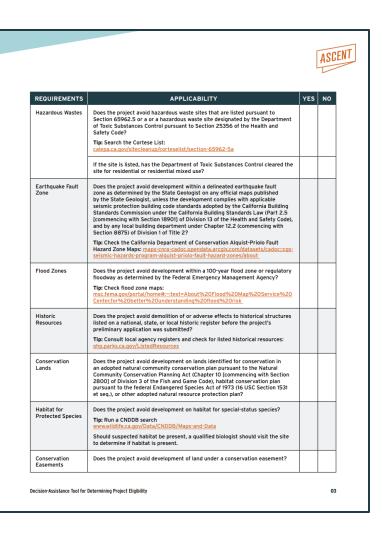
Accelerated Processing

Some
Documentation
Requirements
Remain

Decision Tool Worksheet

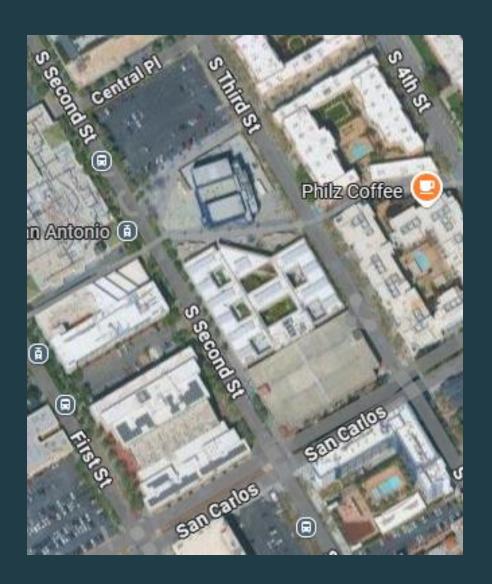




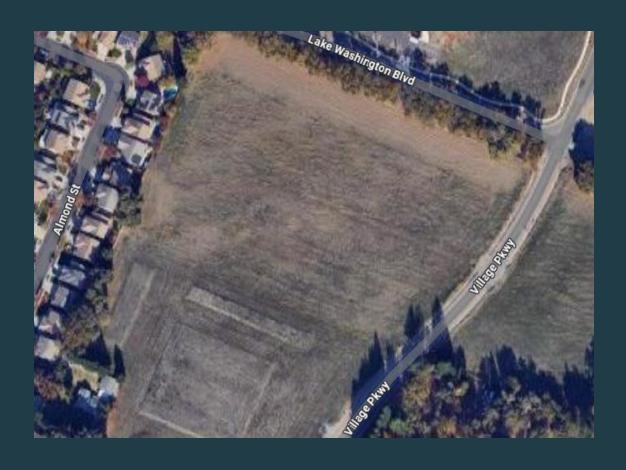


Sample Project

- Located in the City of San Jose
- Up to 1,000 residential units in 10+ stories
- Designated Downtown Commercial (residential is allowable)
- Less than 5 acres in size
- In a developed area
- Not within 500 feet of freeway
 - Would qualify subject to prevailing wage
 - Next steps tribal consultation and Phase I ESA



Sample Project



- Located in the City of West Sacramento
- Up to 150 residential units
- Designated Medium Density Residential
- 9 acres in size
- In a suburban area
- Not within 500 feet of freeway

Would not qualify

Perimeter is not 75% developed



AB 130: VMT Mitigation Bank Program

VMT Mitigation Policy

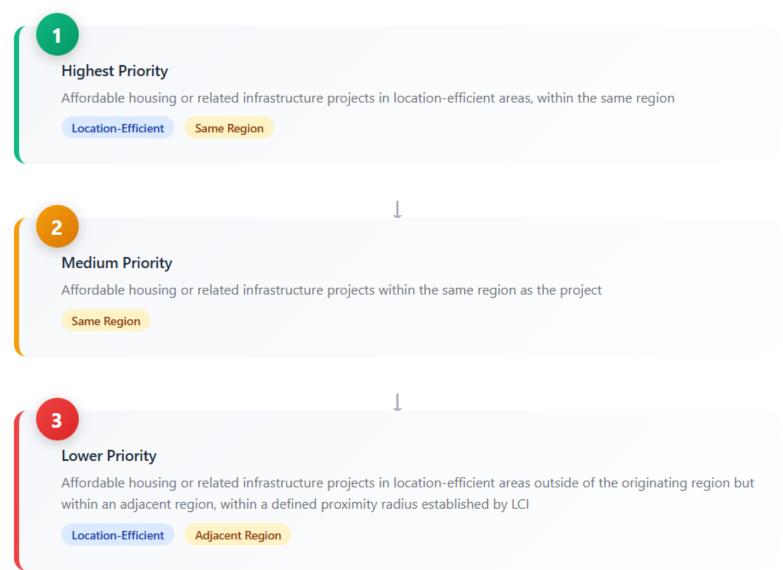
- Establishes policy language to support preparation of a program of vehicle miles travelled (VMT) mitigation guidelines.
- Intended to facilitate the development of VMT-efficient affordable housing or related infrastructure.



VMT Mitigation

- Project with significant VMT impact may mitigate the impact to less than significance by funding or facilitating VMT-efficient affordable housing or related infrastructure
- Contributions to be determined pursuant to LCI guidance
- Requires LCI to issue its guidance by July 1, 2026, to be updated every 3 years
- Intended to be an option and not the sole method of mitigation

VMT Mitigation Funding Priority

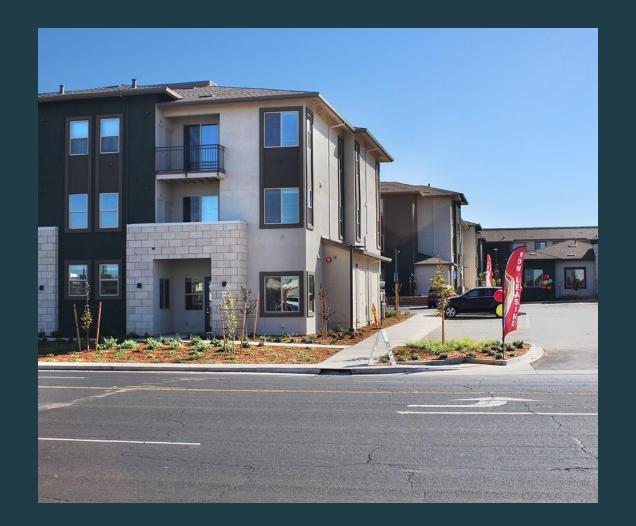




SB 131: Streamlining for Near Miss Projects

Eligibility

- Housing development projects that **almost** qualify for an exemption (Statutory exemptions; Classes 1-5, 12, 15, 20, 27, 30, and 32), but for a **single** condition
- A "condition" is defined as a "physical or regulatory feature of the project or its setting or an effect upon the environment caused by the project."





Exclusions

- Does not apply to residential projects that also include:
 - Warehouse distribution centers
 - Oil and gas infrastructure facilities
 - Projects on parcels exceeding 4 acres that are either builders remedy projects or are very low, low, or moderate income, or emergency shelter projects that are inconsistent with a general plan and zoning ordinance (where a jurisdiction has a compliant housing element).
 - Projects located on natural and protected lands

Potential Single Condition Scenarios

Size and Scale Exceedances

Regulatory Inconsistencies

Environmental Threshold Triggers

Other Project Eligibility Limitations

Document Requirements and Enhanced Consultation

Focused CEQA Review (Initial Study, Negative Declaration, or EIR):

- Only address the single condition that makes project ineligible for exemption
- Does not require analysis of alternatives or growth inducing impacts
- All other required contents and noticing provisions of an ND, MND, or EIR would apply

Enhanced Consultation Process

- Facilitates more efficient project planning and review
- Applicants may request pre-filing consultation with lead agencies regarding the range of potential actions, alternatives, mitigation measures, and significant environmental effects



Implementation Uncertainties

- How to weigh the options of using SB 131 versus other available streamlining pathways?
- Definition of a single condition not well defined
- Most readily applicable when the single disqualifying condition is a physical condition
- How to determine the scope of analysis for:
 - exceedance of site size or number of units
 - contribution to a cumulative impact for single-issue area when there is no project analysis
 - a project that is not fully surrounded by urban development
 - A project that could result in a significant impact due to unusual circumstances—can this be limited to a single-issue analysis?
- What if the one condition relates to a series of site characteristics, such as AB 130's requirement that a project satisfies the requirements specified in paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code, which includes numerous environmental conditions?

Best Practices for Implementation

Develop standardized procedures Establish clear criteria for qualifying projects

Create templates

Document conformance with applicable criteria

Conduct pre-filing consultation with applicant

Prepare focused technical studies

Coordinate with legal counsel

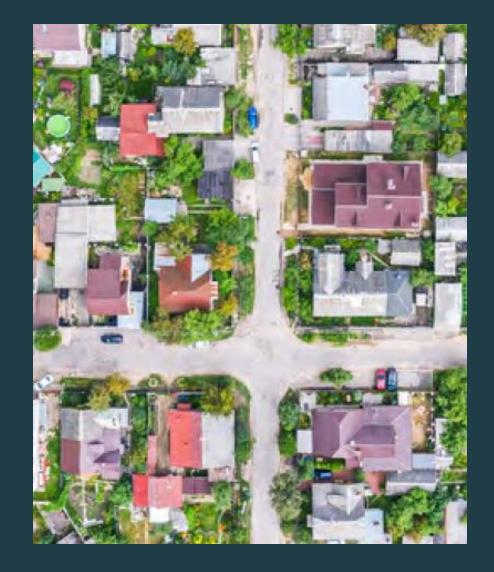
Use in tandem with AB 130 (Infill Exemption)



SB 131: Exemption for Rezoning Required by Housing Element Update

Housing Element Rezoning Exemption

- Housing Element Law requires local governments to 1) identify sites that must be upzoned to meet RHNA and then 2) upzone sites as promised
 - Rezoning must occur 1-3 years from housing element certification deadline
 - CEQA applies to housing element zoning, and many local governments prepare EIRs
- **SB 131** exempts *most* rezoning that implement an approved housing element (e.g., except if project is on natural and protected lands)





SB 131: New CEQA Exemptions for Specific Project Types

Other Exemptions

- Agricultural employee housing that complies with 21159.22 and is funded by public funds (21080.44 new)
- Community water **systems for disadvantage communities** added on-site wastewater treatment (21080.47 amended)
- **Community water systems** funded by certain public funds and "does not otherwise include any construction activities" (21080.47 new)
- **Linear broadband** within 30-feet of roadway right-of-way (21080.51 amended)
- Planning, design, site acquisition, construction, operation, or maintenance of public park or nonmotorized recreational trail facilities with certain funding – primarily coastal access and parks within disadvantaged communities (21080.57 new)
- A daycare center that is not in a residential area (21080.69 new)
- A **rural health clinic** (less than 50,000 square feet in total space) (21080.69 new)
- Nonprofit food bank or pantry (21080.69 new)
- **High-tech manufacturing** within an industrial area (21080.69 new)
- **High-Speed Rail Maintenance Facilities and Stations** must have been already evaluated in a section's environmental document (21080.71 new)



SB 131: Other Notable CEQA Changes

Other CEQA Changes



Revisions to administrative record preparation requirements for CEQA litigation



Infill guidance to be updated every two years starting 1/1/27 (Public Resources Code 21094.5.5)



A Municipal Planning Perspective

Santa Ana, California

Santa Ana

- County seat of Orange County, 27+ square miles, 310,000+ population
- Served by multiple freeways (I-5, SR-22, SR-55, & SR-57), as well as regional train (Amtrak and Metrolink) and OC Streetcar, set to open summer 2026
- Virtually every vacant or underutilized lot is considered an infill site



Could a Jurisdiction Benefit from AB 130 & SB 131?

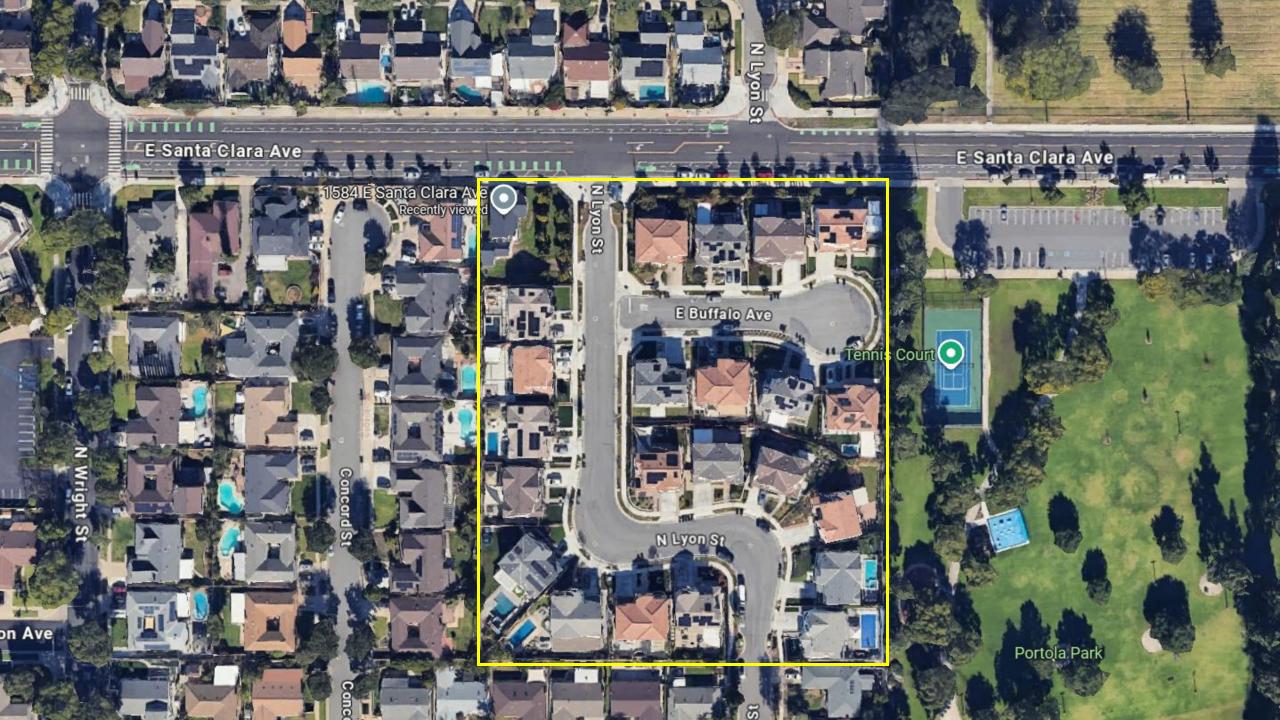
- Recent exemptions or streamlining legislation has shown mixed results
- Examples:
 - Section 15195: Residential Infill Exemption, but must contain onsite affordability. *Think:* how are physical impacts to the environment any different for market rate vs. affordable housing?
 - AB 2011/SB 6: Streamlining for infill projects, but require either onsite affordable housing or skilled/trained workforce in construction. *Think: how are physical impacts to the environment any different for market rate vs. affordable housing, or projects using skilled/trained workforce in construction?*
- Studies from California Department of Finance and the Terner Center at UC Berkeley show that ADUs remain by far the most common form of housing (20%) under construction statewide

Case Study: Sexlinger Farmhouse & Orchard

- Five-acre site at 1584 E. Santa Clara Ave., Santa Ana
- Farmhouse constructed in 1914; approximately 250 Valencia Orange trees remaining by 2014
- Site annexed into Santa Ana in 1979 and zoned for residential use
- Development application for infill single-family homes submitted in 2010
- Following public input, site was placed on local historic register in 2012
- EIR prepared and revised/recirculated three (3!) times
- Following multiple public hearings, approved project included construction of 22 new single-family homes and restoration of the farmhouse into a 23rd home for sale, surrounded by historical orange trees on a 0.23-acre lot







Case Study: Sexlinger Farmhouse & Orchard

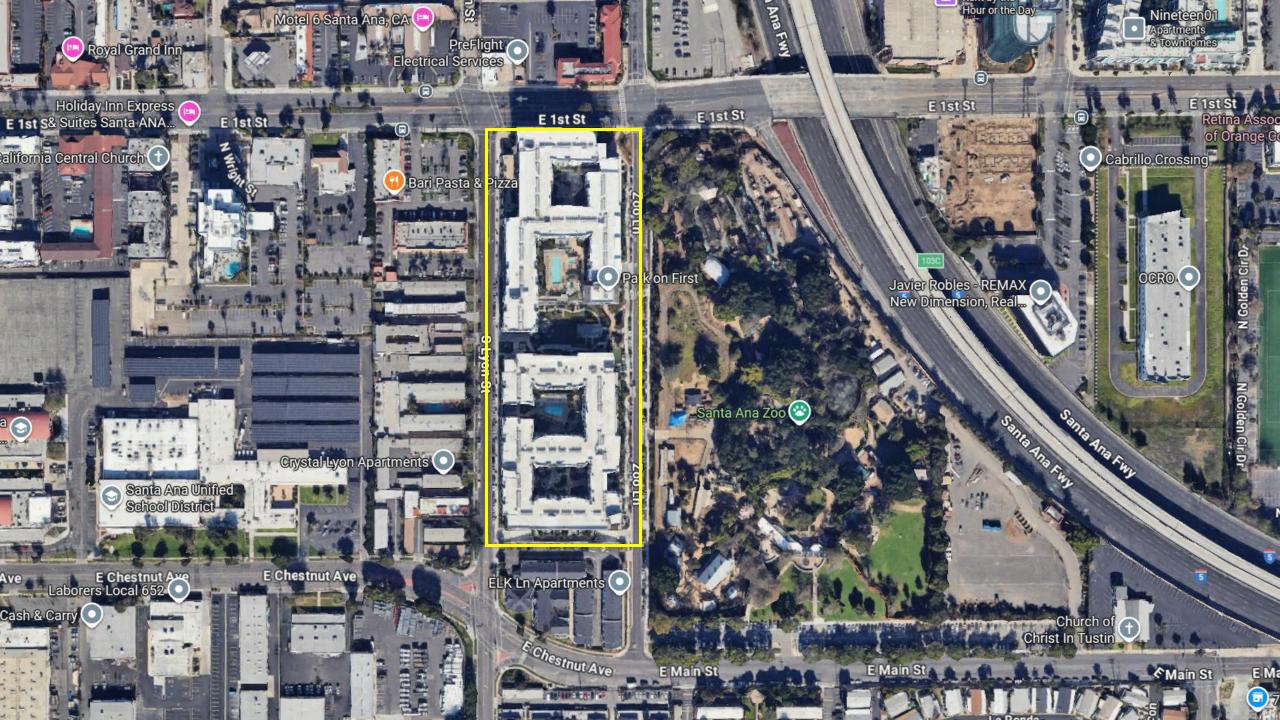
- AB 130 repeals the expiration provisions of the Housing Crisis Act of 2019
 - Limits on number of public hearings
 - Local agency must determine whether the site of a housing development project is a historic site at the time the application is deemed complete
- Sexlinger orchard was located on a site that was less than 20 acres in size, surrounded by urbanized uses, and the farmhouse was determined to be not historic at the time of application being deemed complete
- Developer could have benefitted from AB 130 if it had been in place in 2014 when the project was ultimately approved

Case Study: Park on First (Formerly "Elan")

- Nine-acre site at 1660 E. First Street, Santa Ana
- 603 units and 20,000 sq. ft. commercial, plus open space and street enhancements
- Former headquarters of the Elks Lodge in Santa Ana, built in 1961
- Application submitted early 2017; necessitated general plan amendment and zone change, and accompanying CEQA
- Initial review indicated CEQA would be addendum to existing EIR
- All technical studies supported addendum, but historic review indicated existing Elks Lodge building on site was eligible for preservation
- Triggered Subsequent EIR







Case Study: Park on First (Formerly "Elan")

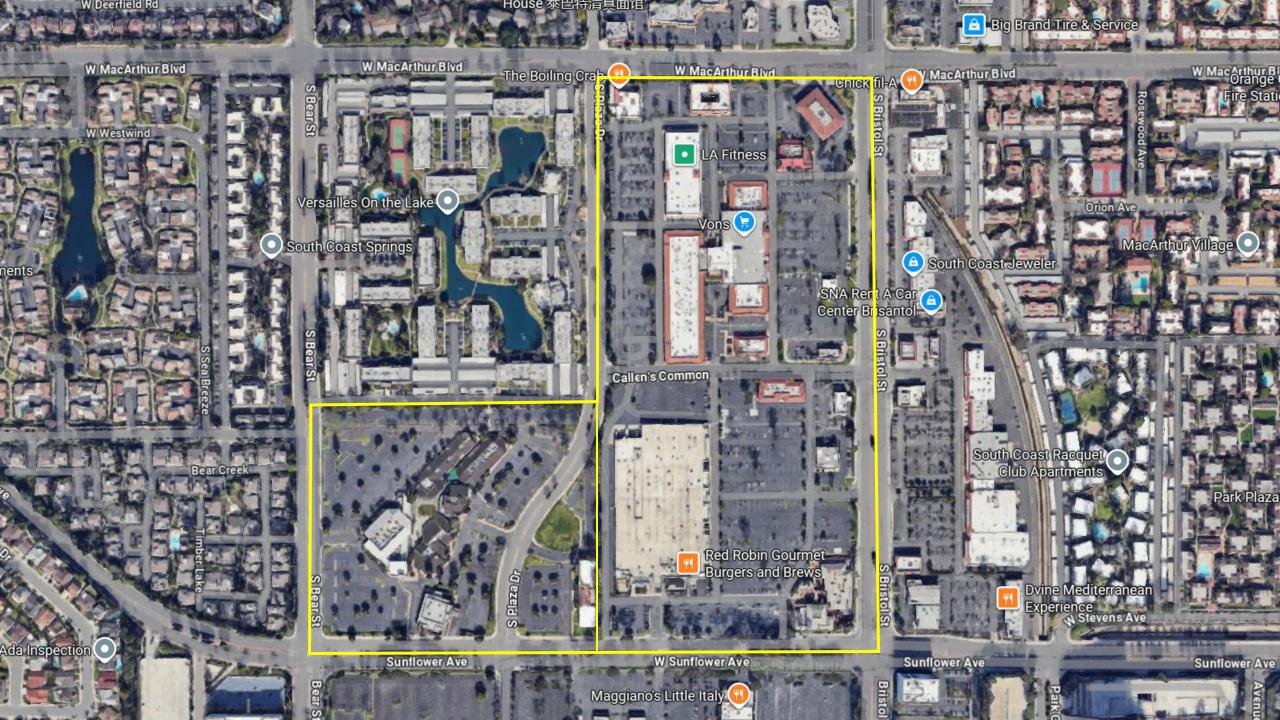
- SB 131 addresses housing development projects that narrowly fail to qualify for any CEQA exemption due to a single disqualifying condition
- In those "near miss" instances, SB 131:
 - Limits CEQA review to environmental effects caused solely by that condition
 - Waives the need for analysis of project alternatives, cumulative impacts, and growth-inducing effects
- The **sole "miss"** for the Elan project was the identification of the 1961 Elk Lodge's eligibility for historic preservation
- The Subsequent EIR resulted in a multifold increase in costs to the developer, additional staff resources, and lengthier review time
- Ultimately, the project was built, resulting in public benefits such as new publicly-accessible open space acreage, reconstruction of a major roadway leading to the Santa Ana Zoo, pedestrian enhancements, and Zoo wayfinding signage

Other Recent Santa Ana Projects

- Related Bristol Specific Plan (2024)
 - **41-acre** site, 3,750 residential units, 350,000 sq. ft. commercial, 250-room hotel, 200-unit senior continuum of care, and 13+ acres publicly-accessible open space
 - Necessitated Supplemental EIR
- The Village Santa Ana Specific Plan (2025)
 - **17-acre** site, 1,583 residential units, 80,000 sq. ft. commercial, 300,000 sq. ft. office, and 7+ acres publicly-accessible open space
 - Necessitated Supplemental EIR
- Santa Ana's General Plan Update was approved by the City Council in 2022, with an accompanying Final Program EIR
- CEQA reviews for both projects came down to:
 - Recreation and Air Quality impacts for Related Bristol
 - **Recreation** impacts for The Village







Other Recent Santa Ana Projects

- The entitlement review process for each project took about one year, including drafting and circulating the EIR
- Both projects also **proposed development agreements** (DAs), which added about another year to their timelines
- Given the recency of both AB 130 and SB 131, it is **difficult to state with certainty** that these bills would have benefitted both projects, but reliance on staff's in-house expertise and a team of professionals helps further the City's goals of being pro-housing and pro-infill development
- Remembering CEQA's goals and how those fit in with the City's goals in the General Plan helps staff remain committed to streamlined review as much as possible



Questions?



AscentShare e-newsletter series on the 2025 Trailer Bills

- CA 2025 Trailer Bills—A Deep-Dive Series
- Available at <u>ascent.inc/ca-2025-trailer-bills/</u>
- AB 130 Residential Reach Code Moratorium
- AB 130 New Residential Infill Exemption
- SB 131 Expedited Review for "Near-Miss" Projects
- SB 131 New CEQA Exemption for Parks and Trails (Prop 4 Funded Projects)
- More articles to come