

CEQA Reform:

Where we've been and where we're headed

CivicWell 2026 Webinar Series
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What's CEQA For?

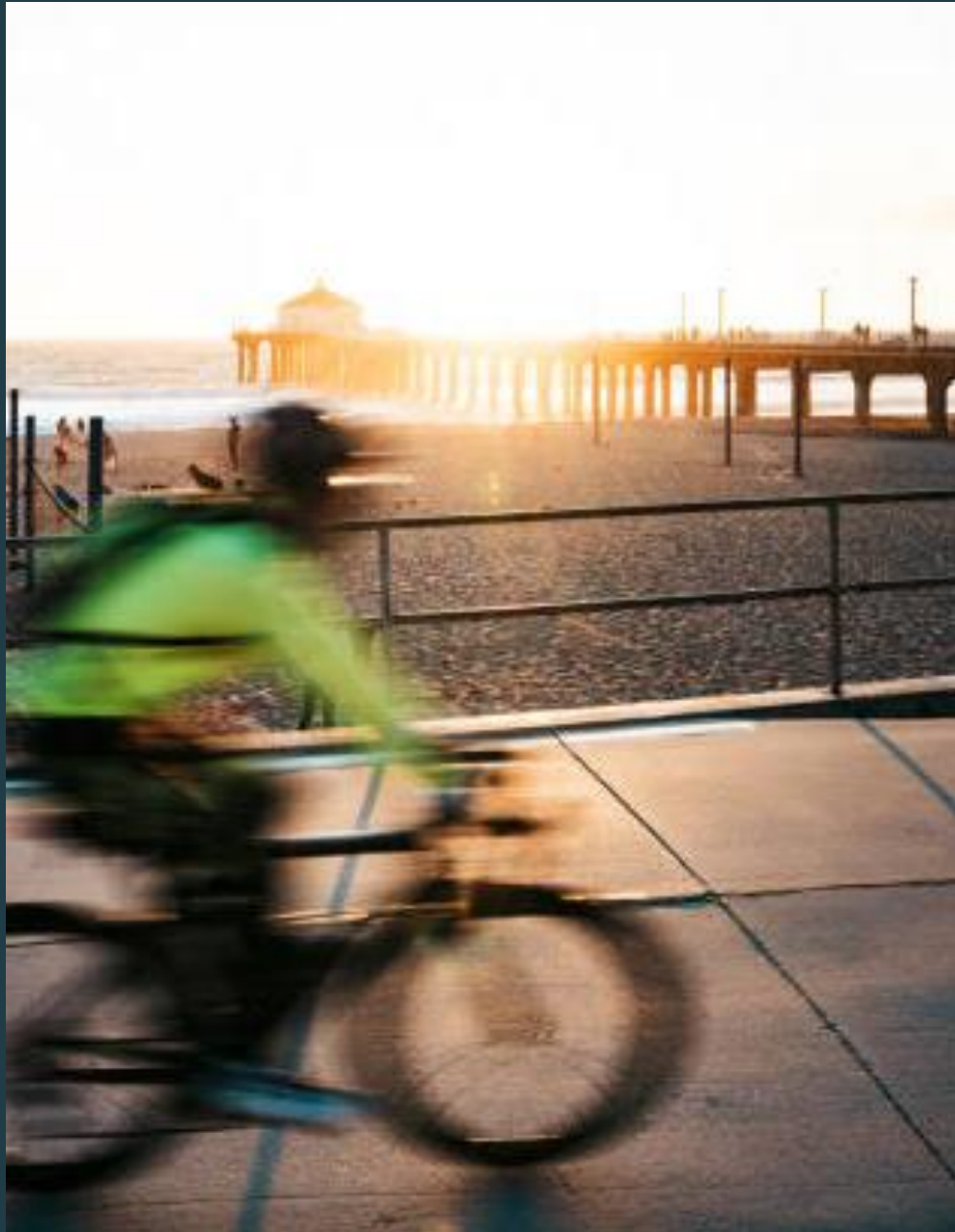
- Inform decision makers and the public about the potential significant environmental impacts of proposed activities
- Identify ways that environmental impacts can be avoided or significantly reduced
- Prevent significant avoidable damage to the environment by requiring changes to projects through mitigation and alternatives
- Document how project impacts have been reduced and reasons to approve a project despite significant & unavoidable impacts



Why the Push for CEQA Reform?

In the more than four decades since its adoption, CEQA has been magnet for controversy

- CEQA's broad mission, self-executing framework, and enforcement through litigation make it **vulnerable to project opponents who frequently leverage CEQA litigation as a tool to obstruct or halt projects**
- Litigation has clarified the law, empowered the public, and provided a mechanism for disadvantaged communities to challenge harmful projects, BUT also created **increased uncertainty around the viability of projects likely to be challenged on non-environmental grounds**
- Most recently blamed for flight of businesses to other states, for exacerbating California's housing crisis, and impeding approval of innovative projects



CEQA Reforms Over Time

Categorical and Statutory Exemptions for **housing/mixed-use projects**

- Infill development
- Affordable and specialized housing

Streamlining CEQA review for **renewable and multimodal infrastructure**

- Renewable energy
- bike/ped infrastructure

2025 Reforms - 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
- CEQA “Modernization” - new exemptions and other streamlining provisions
 - **AB 130** – exemption for infill housing projects
 - **AB 131** – streamlining via “near miss” provision for housing projects





What was the State trying to achieve with these bills?

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

ascent.inc/ca-2025-trailer-bills/



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?



2026 Legislation

SB 954: Legislative Clean-up Bill:

Rolls back/adds protections to the CEQA exemptions for advanced manufacturing facilities and childcare centers granted under SB 131.

- Requires advanced manufacturing projects to meet eight specific criteria to qualify for CEQA streamlining.
- Reverses a loophole that inadvertently exempted daycare facilities in industrial areas from environmental review, restricting the childcare CEQA exemption to residential zones
- Expands the definition of "natural and protected lands"

Building an Affordable California Act (BACA): Statewide voter initiative sponsored by the California Chamber of Commerce to significantly streamline CEQA

- Enforceable Timelines for environmental review
- Judicial "shot clock"
- Limits review to existing law
- Curbing frivolous lawsuits through application of substantial evidence standard



What to consider going forward...

- Will the reforms work as intended?
- What are the remaining gaps?
- What is lost in terms of public process?
- Will disadvantaged communities be disproportionately impacted?
Or will the reforms result in net benefits to these communities?
- What are the tradeoffs?