




PAUL  
HASTINGS

## **AB 130 and SB 131: How the Huge Amendments to CEQA Will Affect Redevelopment Opportunities**

Winston Stromberg

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# CEQA: The Basics

- Requires public agencies to conduct environmental review of projects that require discretionary approval
- Four main purposes:
  1. Inform the government and public about a project's potential environmental impacts;
  2. Identify ways to reduce or avoid environmental damage;
  3. Prevent such damage by requiring changes to the project through feasible mitigation measures or alternatives; and
  4. Disclose to the public the government's rationale for approving a project resulting in significant environmental impacts.

# CEQA Abuse and Obstruction

“CEQA was meant to serve noble purposes, but it can be manipulated to be a formidable tool of obstruction, particularly against proposed projects that will increase housing density.”

- *Tiburon Open Space Committee v. County of Marin* (2022) 78 Cal.App.5th 700, 782

# Calls for Permitting Reform

- Final Report of the California Assembly Select Committee on Permitting Reform, March 2025
- “Fast Track Housing Package”: proposed AB 609 and SB 607
- 2025-26 Governor’s Budget
- AB 130 and SB 131: over 170 pages of legislation; Newsom made approval of budget contingent on passage by June 30

# AB 130

- Primarily aimed at accelerating housing development; wide-ranging statutory revisions
- New Public Resources Code § 21080.66: CEQA Exemption for Housing Projects. Key requirements:
  - Focused on infill projects – 20 acres or less in size
  - Located in incorporated city or urban area, previously developed or adjacent to urban uses
  - Meets minimum density requirements
  - Does not require demolition of historic structure
  - **Cannot be on a listed or designated hazardous site**

# AB 130 – Hazardous Sites

- The exemption does not apply to projects on the Cortese List or hazardous waste sites listed under Health & Safety Code section 25356, ***except...***
  - UST sites with a uniform closure letter based on SWRCB criteria for residential use or residential mixed uses
  - CDPH, SWRCB, DTSC or a local agency has determined that a site is suitable for residential use or residential mixed uses

# AB 130 – Environmental Assessments

- For exemption to apply, local agency must impose condition requiring completion of Phase I
- If REC found, project proponent must complete preliminary endangerment assessment to determine if past releases and potential for exposure to future occupants
- If hazardous release found, must be removed or mitigated to levels required by regulatory standards before C of O issued
- If potential hazardous exposure from *surrounding* properties or *activities* is found, must also mitigate before C of O issued

# SB 131

- More streamlining measures and CEQA exemptions
- Public Resources Code § 21080.1:
  - If project would otherwise be exempt (statutory or categorical) but for a single condition, only those effects caused by that single condition need be studied in IS or EIR
  - No need to study alternatives or growth-inducing impacts
  - Limited exceptions, including cannot be on “natural and protected lands”



# SB 131 – Natural and Protected Lands

- How does SB 131 define this term?
- Primarily due to natural features (parks, ecological reserves, conservation easements, wetlands, prime farmland, etc.)
- ***But*** – *includes same restriction for listed or designated sites* (i.e., Cortese List, H&S Code section 25356)
- With the same exceptions as AB 130:
  - (1) UST sites with closure letter based on residential criteria
  - (2) agency finding suitable for residential or mixed uses

# SB 131 – Advanced Manufacturing

- New CEQA exemption for facilities “for advanced manufacturing”
  - “Advanced manufacturing” broadly defined under Public Resources Code:
    - “Manufacturing processes that improve existing or create entirely new materials, products, and processes through the use of science, engineering, or information technologies, high-precision tools and methods, a high-performance workforce, and innovative business or organizational models....”
    - Includes various technology areas – semiconductors, nanotechnology, industrial biotechnology, additive manufacturing, etc.
  - Faced major backlash from environmental groups
  - Same hazardous waste site exception applies

# Questions?

Thank you.