

From the Daily Journal archives

CEQA reform prompts debate

Legislation grants significant exemptions to add housing

By Holly Rusch, Daily Journal staff
Jul 3, 2025

f
X
✉
in



MORE INFORMATION



Newsom signs housing bill overhauling California's landmark environmental law

Lawmakers finally achieve 'Holy Grail' reform of state's key environmental law

Moving past CEQA

f X ✉ 🖨 📌 📄 in

There's no shortage of opinions on California's newly-passed state budget bill — and the sweeping housing reforms and new environmental regulation rollbacks upon which Gov. Gavin Newsom made his approval of the legislation contingent.

For decades, pro-housing advocates and environmentalists have clashed over the application of the California Environmental Quality Act on new housing developments. Advocates for CEQA say it's a much-needed step to assess the environmental impact of new projects; detractors have argued that the law is often intentionally applied to slow and stymie new housing.

That debate came to some conclusion this week, as Newsom signed into law two pieces of legislation — Senate Bill 131 and Assembly Bill 130 — that will fundamentally change the way CEQA law is applied. He'd been firm that his signature on the state's \$321 billion 2025-26 budget, originally passed by the legislature last month, was reliant on the two housing-related bills successfully advancing through the state Senate and Assembly.

The bills provide exemptions to infill housing developments, advanced manufacturing facilities and health centers, among other projects, from the CEQA review process. SB 131 also raises the standard for CEQA-related lawsuits, making it more difficult to challenge projects.

Assemblymember Marc Berman, D-Palo Alto, was supportive of the legislation, which he said was "long coming" and will be effective in spurring housing production across the state. California has continually suffered from rising costs of living and inadequate housing supply.

"We can't let the perfect be the enemy of the good. I can't let the perfect be the enemy of the good," he said. "I think we've done that for too long, and I think that's led to the housing crisis that we have."

Berman, alongside pro-housing advocates like Jeremy Levine, policy manager for the Housing Leadership Council of San Mateo County, fielded criticism from environmental groups — who argue the CEQA rollbacks will negatively impact California's natural and open spaces — by pointing to the detrimental environmental impacts of inadequate housing.

By making it easier to build infill developments — building on land in urban, already-developed environments — local cities will in turn create housing in transit-oriented, walkable areas, Levine said.

"CEQA needed to be reformed to protect the environment," he said. "We needed to be able to build in sustainable places."

AB 130, which is responsible for the infill development exemption, is rational and thought-out housing legislation, Assemblymember Diane Papan, D-San Mateo, said. The exemptions don't apply to environmentally sensitive or hazardous sites.

"It was reasonably tailored to allow for additional housing and infill projects, so I was OK with that," she said. "There are infill projects where people already live, where housing is a rare commodity, where they won't have to take long trips in their car to further hurt the environment."

She didn't vote for SB 131, she said, which exempts nine types of projects — health centers and rural clinics, child care centers, Advanced manufacturing facilities, food banks, farmworker housing, clean water projects, wildfire risk mitigation projects, broadband, parks and, most controversially, advanced manufacturing facilities — from CEQA review.

The advanced manufacturing facilities exemption includes industrial uses like semiconductor manufacturing, Alice Kaufman, advocacy and policy director at the environmental advocacy group Green Foothills, pointed out.

"This is one of the most polluting industries we have, and the fact that this bill SB 131 creates a total exemption from environmental review for an extremely polluting industry is very concerning," she said. "There is no justification for exempting an industry that we know to be extremely toxic and polluting from environmental review."

The group has other worries around SB 131, Kaufman said, including its potential application on natural land and open space and its lack of protections around habitats for threatened and endangered species.

Assurances from those who've backed the bill that it can be cleaned up and clarified as time goes on are not mollifying, she added.

"Just because the language is clarified doesn't necessarily mean we wouldn't still have extremely polluting industrial uses that are exempt from environmental review," Kaufman said. "We just should not have that."

Save the Bay Executive Director David Lewis, a longtime Bay Area environmental advocate, took a measured approach to the conflict around CEQA regulations. His major concern with the legislation was the hasty, last-minute process — spurred by Newsom's budget-signing ultimatum — by which it became law, he said.

"Even if it is a beneficial outcome, even if the outcome is what's intended, a lot more housing gets built ... doing it in this way, I think, makes it harder over time to have collaborative decisions in the legislature that earn public support," he said.

This opinion has been shared not only by those who oppose the CEQA changes but also by some state Democrats and Republicans alike.

"I'm not enamored with passing laws in this way," Papan said. "We had to get the budget done. [Newsom] attaches it to a budget bill. He's done it before ... one might argue that's where he has the most leverage."

For Lewis, the state legislation of particular environmental concern is actually Assembly Bill 306, which has also been wrapped up into the trailer bills coming after budget approval. AB 306 — designed to protect homeowners rebuilding after the Los Angeles fires — would freeze building code updates at the state and local level for the next six years.

"This is a huge problem," he said. "There are communities that are trying to improve building codes to adapt to climate risks like flooding, and unless there's substantive action by the legislature to moderate, cities won't be able to do that."

holly@smdailyjournal.com

(650) 344-5200 ext. 105

f X ✉ 🖨 📌 📄 in

Holly Rusch, Daily Journal staff

Daily Journal staff