SOMOS GROUP ALERT:
CEQA REFORM BILLS BRIEFING

A Quick Note from Alfred Fraijo Jr.

As you have likely heard, Governor Newsom just signed a sweeping budget package that includes **AB 130 and SB 131**—both designed to reform the California Environmental Quality Act (CEQA). The bills mark one of the most significant updates to CEQA since its inception in 1970. This landmark legislation, championed by **Senator Scott Wiener** and **Assemblymember Buffy Wicks**, aims to reduce barriers to urgently needed housing and critical infrastructure by streamlining CEQA review and cutting down on costly delays.

Below is a quick summary of the new laws that we hope will be a useful tool to alert you to new opportunities and facilitate planning in project development. For AB 130 (which incorporates Wicks' AB 609), these opportunities include exemptions for urban infill housing with specific labor standards for affordable housing, buildings over 85 feet, and projects with 50+ units in San Francisco. SB 131 (which incorporates Wiener's SB 607) streamlines the CEQA review process and expands exemptions beyond housing to include nine key project types: health centers and rural clinics, childcare centers, advanced manufacturing, food banks, farmworker housing, Clean Water projects (excluding the Delta Conveyance), wildfire risk mitigation, broadband infrastructure, and parks.

CEQA has long been criticized for the breadth of its citizen suit provisions and the bureaucratic review process – both of which result in delays to various types of projects regardless of scope or scale, including affordable housing. Despite political resistance from labor and environmental groups, this reform package represents a pivotal step toward resolving legal uncertainty for developers and accelerating the delivery of climate-resilient, community-serving infrastructure across California. This briefing is intended to help identify the most impactful features of these laws and the projects, exceptions, or zoning requirements most relevant to each law. Somos has the expertise to assist you in deciphering and navigating the various requirements and would be pleased to work with you in whatever way might be helpful to you and your business.

Please don't hesitate to reach out to us for more information about these bills and their potential application to pending and future projects.

Thank you!



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AB 130 - HOUSING

INCORPORATES AB 609 (BUFFY WICKS, D-OAKLAND)

FOCUS

Exempts most urban infill housing from CEQA review.

WHAT IT DOES

Exempts qualified urban infill housing for projects up to 20 acres and builder's remedy projects up to 5 acres. Outlines prevailing wage requirements for exempt projects that meet any of the following:

1. **100% Affordable Housing Projects;**
2. **Buildings over 85-feet;**
3. **Projects of 50 units or greater in San Francisco**

OTHER NOTES - PROJECT MUST

- Be no greater than 20 acres and be in urban areas
- Have been previously developed with or must be adjacent to urban uses
- Not require demolition of an historic structure
- Mitigate any exposure to environmental hazards identified in the Phase I report
- Be consistent with applicable general plan, zoning standards, and minimum density requirements.
- Exclude hotel & hospitality uses (except residential hotels)

READ THE BILL: ASSEMBLY BILL 130

If hyperlink does not work, copy the full link below:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB130

APPLICATIONS

"Housing development projects":

- An all-residential project
- Mixed use projects with 2/3 of the new or converted square footage designated for residential use
- Mixed use projects that meet any of the following conditions:
  - At least 50% of the net new or converted square footage is residential,
    - 500 net new residential units
    - There are no hospitality uses except for residential hotels
  - At least 50% of the net new or converted square footage is residential,
    - 500 net new residential units
    - There are no hospitality uses except for residential hotels
    - Demolition or conversion of at least 100,000 sf of nonresidential use,
    - At least 50% of the existing nonresidential uses are demolished
- Transitional housing and supportive housing.
- Farmworker housing.

CARVEOUTS

- Revises and Extends Permit Streamlining Act
- Reforms Coastal Act
- Limits Building Code Changes
- Extends and Modifies Housing Crisis Act
- New "Vehicle Miles Traveled" Mitigation Requirements

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SB 131 - PUBLIC RESOURCES

INCORPORATES SB 607 (SCOTT WIENER, D-SAN FRANCISCO)

FOCUS

Creates nine new major CEQA exemptions and streamlines the CEQA review process.

WHAT IT DOES

Streamlines reviews for projects that narrowly miss CEQA exemptions: Class 1-5, 12, 15, 20, 27, 30, or 32, focusing on the single missed condition.

Exempts rezonings that are consistent with an approved housing element and requires the Office of Land Use and Climate Innovation to create a map of "eligible urban infill sites" by July 1, 2027.

Statutorily exempts nine uses: health centers/rural clinics, childcare centers, advanced manufacturing facilities, food banks, farm worker housing, Clean Water projects (except the Delta Conveyance), wildfire risk mitigation projects, broadband, and parks.

CARVEOUTS

DOES NOT APPLY TO THE FOLLOWING HOUSING DEVELOPMENTS:

- Not similar in kind to projects that qualify for the exemption
- Fail to meet the statutory or categorical exemption due to two or more conditions
- Include a distribution center
- Include oil or gas infrastructure
- Located on natural and protected lands

READ THE BILL: SENATE BILL 131

If hyperlink does not work, copy the full link below:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB131

APPLICATIONS

"Housing development projects":

- An all-residential project
- Mixed use projects with 2/3 of the new or converted square footage designated for residential use
- Mixed use projects that meet any of the following conditions:
  - At least 50% of the net new or converted square footage is residential,
    - 500 net new residential units
    - There are no hospitality uses except for residential hotels
  - At least 50% of the net new or converted square footage is residential,
    - 500 net new residential units
    - There are no hospitality uses except for residential hotels
    - Demolition or conversion of at least 100,000 sf of nonresidential use,
    - At least 50% of the existing nonresidential uses are demolished
- Transitional housing and supportive housing.
- Farmworker housing.

OTHER NOTES

- Sec. 2(c) notes that "CEQA should not be used primarily for economic interests, to stifle competition, to gain competitive advantage, or delay a project for reasons unrelated to environmental protection."

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PROJECT OVERVIEW INTRODUCTION

Somos Group has worked on a number of projects that have used regulatory exemptions for CEQA, including Shirley Chisholm Village, Skyline College Ridge, and the Los Angeles Community College District, which include workforce housing.

AB 1449 exempts many housing projects that are 100% affordable from CEQA permitting regulations. Additionally, SB 4 exempts affordable housing projects from CEQA if they are on land owned by a college or religious institution. Under SB 886, student housing is exempt from CEQA permitting regulations if it meets several criteria: a project must be on university-owned land or be located within a half mile from campus, the project must be built with union labor, the project cannot cause demolition of existing affordable units, and the project must meet sustainability standards.

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SHIRLEY CHISHOLM VILLAGE

San Francisco Unified School District

SOMOS GROUP



PROJECT OVERVIEW

Opened in 2024, the Shirley Chisholm Village development offers 135 units of affordable housing for eligible educators and administrative staff within San Francisco Unified School District.

The project targets staff at or below 65% AMI with the goal of retaining talented educators that live and work in the San Francisco community.



SKYLINE COLLEGE RIDGE

San Mateo Community College District

SOMOS GROUP



PROJECT OVERVIEW

Opened in 2023, Skyline College Ridge is a mixed-income community that contains 30 affordable apartment units and 40 single-family homes available for eligible faculty and administrative staff. The project was led by the city of San Mateo in partnership with the San Mateo Community College District and a private developer.

The project includes innovative infill development practices and earned a LEED Silver accreditation for environmental sustainability.



LOS ANGELES COMMUNITY COLLEGE DISTRICT

Los Angeles, California

SOMOS GROUP



PROJECT OVERVIEW

Somos Group provides legal support to Los Angeles Community College District (LACCD), the largest and one of the most diverse community college systems in the United States. As part of this representation, Somos supports LACCD's work to provide student and workforce housing, with a focus on meeting students' basic needs, including those students experiencing homelessness or housing instability. Somos developed CEQA implementation procedures tailored to the District's specific needs, including an informative handbook to support informed decision-making, fostering sustainability, and environmentally conscious business practices.





SOMOS GROUP

CEQA REFORM BILLS BRIEFING
Questions & Answers Responses

July 8, 2025 I 8am-8:30am

QUESTIONS RECEIVED FROM RSVP'D ATTENDEES,
ANSWERS PROVIDED BY SOMOS GROUP LEGAL ADVISORS.

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Question 1
What is the impact on density in Historic Preservation Overly Zone (HPOZ) and the National Historic Registry Single-Family Residential (SFR) neighborhoods in Los Angeles near transit?
Answer 1
The bill language exempting CEQA review supplements, and does not prevent or prohibit the HPOZ protections for historic neighborhoods and structures unless there is a conflict with State Law requirements.

Question 2
If a project qualifies for a CEQA exemption, do we still need to be concerned with NEPA?
Answer 2
Yes.

Question 3
How is this different from existing streamlining and acceleration provisions?
Answer 3
AB 130 is broader than the existing Class 32 exemption for urban infill housing. It applies to a broader number of projects and increases the number of sites that would qualify for an exemption. SB131 creates 9 new CEQA exemptions, including an exemption for projects that narrowly miss the existing Class 1-5, 12, 15, 20, 27, 30, and 32 exemptions because they failed to satisfy a single condition. The initial study or environmental impact report prepared for a housing development project is only required to examine those effects that the lead agency determines are caused solely by the single condition that makes the proposed housing development project ineligible for the statutory or categorical exemption- resulting in a much narrower environmental review document, faster drafting from your environmental consultant, and faster review and processing by the lead agency.

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Question 4
What is your interpretation of the 85' height? For example, do parapets, elevator over-rides, architectural projections need to be within that 85' or is it roof height only? I have heard conflicting information.
Answer 4
The legislators did not provide guidance on this precise point. This issue is likely to be interpreted at the local level pending guidelines, follow-up legislation, or litigation.

Question 5
Are there investments in programs like the California Earned Income Tax Credit (CalEITC) that benefit low-income Latino families?
Answer 5
AB 130 restricts the Department of Housing and Community Development from certain financial structuring of rental housing finance programs if they would result in a rent increase for tenants over and above the annual adjustment to the tenants' rents. For taxable years beginning on or after January 1, 2026, and only when specified annually in a bill relating to the Budget Act, AB 130 increases the credit amount for a qualified renter to $250 and $500, as provided. In the event the increased credit amount is not specified in a bill relating to the Budget Act, the existing credit amounts of $120 and $60, as described above, respectively, would be the credit amounts for that taxable year. The bill would provide findings and declarations relating to the goals, purposes, and objectives of this credit.

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Question 6
Do green hydrogen plants and biofuels manufacturing facilities qualify for exemption under the new CEQA reform?
Answer 6
SB 131 creates nine new CEQA exemptions including advanced manufacturing facilities. Facilities for advanced manufacturing as defined as "an order, franchise, or license relating to any road, bridge, ferry, wharf, chute, pier, or other subject over which the board has jurisdiction in which a majority of the board are interested," pursuant to Gov. Code Section 26003.

Question 7
What are the required local implementation timelines? What are the best approaches to keeping projects moving through the implementation period if/when local rules are not clear?
Answer 7
AB 130 and SB 131 are effective immediately, meaning that implementation can begin immediately. We recommend leaning on state-mandated processing timelines to leverage faster local processing where local rules are unclear.

Question 8
How do we think the City of LA will roll this out?
Answer 8
AB 130 and AB 131 are effective immediately. The City is likely to roll out the exemptions on a case-by-case basis for qualifying pending projects. For future projects, we suggest including all applicable exemptions in your pre-file discussions with the City. Our team is available to assist.

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Question 9
What if there are environmental issues such as historic properties, Native American sensitive areas, endangered species, etc.?
Answer 9
AB 130 requires that housing development projects consult with California Native American tribes. The project cannot take place on protected lands. Historic properties cannot be demolished. AB 130 also requires a Phase I to be completed for specific projects. If there are environmental conditions identified on the site, they must be remediated.

Question 10
Will these legislative changes impact LA City vs. LA County projects differently?
Answer 10
These bills both serve as a supplement to, rather than replacement of local administration of the planning and entitlements process. However, as State laws, AB 130 and 131 apply to both LA City and LA County projects.

Question 11
Is there funding for Affordable Housing (AH) development included in the reform measures?
Answer 11
AB 130 would require the department, subject to certain conditions, to allow property owners subject to a regulatory agreement with the department to take out additional debt on a development in order to finance, with the department's approval, the rehabilitation of the property or investment in new affordable housing. AB 130 would authorize the department, to the extent funds are available, to make repayable or forgivable loans for the development and construction of vehicle miles traveled-efficient affordable housing and to make grants for infrastructure necessary for the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure projects, as specified.

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Question 12
For Transit-Oriented Development (TOD) projects whereby CEQA exemption could have been granted based on delivering affordable projects, is there now a clear path toward satisfying CEQA without rent restriction? Also, is the timeline to satisfy CEQA for non-residential uses accelerated?
Answer 12
The new infill exemption applies to qualifying urban infill housing. Subject to the other requirements, the housing does not need to be affordable housing to satisfy the new infill exemption. The streamlining of permit review and processing applies only to "housing development projects" as defined, which includes, with limitations, some mixed-use projects. In that scenario, the entirety of the project (inclusive of nonresidential uses) is subject to the accelerated review periods, so long as the project is a "housing development project."

Question 13
Is this effective immediately?
Answer 13
Yes.

Question 14
What is the difference between AB 130 and SB 131 and how much do we see ripple effects from this legislation impacting the affordable housing industry?
Answer 14
AB 130 exempts most urban infill housing from CEQA review whereas SB 131 expands CEQA exemption to nine new, non-housing categories and clarifies the environmental review process for existing CEQA exemptions.

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Question 15
How are ADUs impacted by these CEQA reform bills?
Answer 15
AB 130 – Prohibits local jurisdictions from imposing fees or financial requirements as part of the authorized "reasonable restrictions" on ADUs or JADUs. Local agencies are no longer authorized to impose objective standards on specified types of ADUs.

Question 16
What impact does it have on universities and community colleges? How does it impact transit-oriented housing projects?
Answer 16
AB 130 authorizes the Transit-Oriented Development Implementation Program to provide local assistance for the purpose of supporting the development of higher density vehicle miles traveled-efficient affordable housing or related infrastructure. The bill would additionally authorize the program make loans for such developments forgivable, and to create infrastructure grants that support such developments. In addition, the Regents of the University of California, together with the Office of Land Use and Climate Innovation will prepare a report by 2031 evaluating mitigation measures used by projects participating in the TOD program. The Surplus Lands Act has removed real property owned by school districts from the exemptions to the act's requirements, meaning that school district property that was previously exempt from the SLA will now be subject to competitive bidding requirements if no other exemptions apply.

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Question 17
Do we anticipate more CEQA exemptions for Single Family Dwelling (SFD) development as well?
Answer 17
The focus has been on urban infill, which tends to be better-suited for multi-family housing to leverage the greatest number of housing units. We are not aware of any proposals or pending legislation to create additional exemptions specifically for SFR, but that could change in the future.

Question 18
The bill aims to modernize CEQA review for certain projects. Can you talk about what qualifies as “certain projects”?
Answer 18
AB 130 exempts urban infill housing projects that are up to 20 acres from CEQA review. SB 131 creates nine new exemptions for the following projects: health centers and rural clinics, childcare centers, advanced manufacturing facilities, food banks, farm worker housing, Clean Water projects (except the Delta Conveyance), wildfire risk mitigation projects, broadband, and parks.

Question 19
What can cities do now to accelerate market rate and affordable housing development?
Answer 19
Local jurisdictions can adopt a series of best practices to facilitate development. First, prompt clarification of any local code anomalies or inconsistencies (particularly with respect to infill developments) will streamline processing and review. Cities may also wish to prioritize review and hearings for any housing developments over other types of projects. Leveraging underutilized City property and crystallizing the property disposal process locally (subject to the Surplus Lands Act requirements) will create new opportunities for housing. Leveraging P3 partnerships may address funding gaps for large projects

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Question 20
How does this affect CEQA documents in process?
Answer 20
These laws are effective immediately. Any pending project that qualifies for a new or revised exemption may use that exemption if helpful for processing.

Question 21
What is the impact on housing and other project types?
Answer 21
AB 130 exempts most urban infill housing from CEQA review, and SB 131 expands CEQA exemption to nine new, non-housing categories and clarifies the environmental review process for existing CEQA exemptions.

----- END OF QUESTIONS -----

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