

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2231 (Ahrens) – As Amended April 22, 2026

Policy Committee: Natural Resources

Vote: 14 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill establishes expedited administrative and judicial review procedures under the California Environmental Quality Act (CEQA) for an “environmental leadership hospital campus project” in the City of Emeryville and another in the City of Santa Clara.

Specifically, this bill, among other things:

- 1) Requires the city council of the City of Emeryville or the City of Santa Clara, as the lead agency for the project in question, to certify an environmental leadership hospital campus project (as defined) for streamlining pursuant to this bill if the city council finds that numerous specified environmental, labor, and other conditions will be met, including that:
 - a) The project applicant agrees to pay the costs of the trial court and the court of appeal in hearing and deciding any case subject to this bill, including payment of the costs for the appointment of a special master if deemed appropriate by the court, as specified.
 - b) The project applicant agrees to pay the costs of preparing the record of proceedings for the project concurrent with review and consideration of the project, as specified.
- 2) Requires Judicial Council, on or before July 1, 2027, to adopt rules of court that apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification of an environmental impact report (EIR) for an environmental leadership hospital campus project or the granting of any project approval that requires the action or proceeding, including any potential appeals to the court of appeal or the Supreme Court, be resolved, to the extent feasible, within 270 calendar days of the filing of the certified record of proceedings with the court.
- 3) For an environmental leadership hospital campus project certified pursuant to this bill, specifies, among other things, numerous requirements the lead agency must include in a draft EIR and a final EIR and the manner in which the lead agency is to prepare and certify the record of proceedings.

FISCAL EFFECT:

Potential cost pressure (Trial Court Trust Fund, General Fund) of an unknown amount to the courts to process and hear challenges to environmental reviews for environmental leadership hospital campus projects on an expedited timeline. Expedited cases generally create costs and staffing pressures on the courts, as each review typically requires a judicial officer, research

attorneys, and staff. However, under existing rules of court (that Judicial Council may amend to reference the specific projects in this bill), these reviews would be subject to a \$180,000 filing fee. With this filing fee, Judicial Council does not anticipate increased costs as a result of this bill.

COMMENTS:

1) **Purpose.** According to the author:

AB 2231 is about protecting access to care, strengthening our health system, and acting with the urgency this moment demands. At a time when federal actions like H.R. 1 are reducing health care funding and increasing financial pressure on hospitals, California faces a narrowing window to build the facilities our communities will depend on for decades to come. If we do not act now, we risk losing critical capacity – particularly as older, seismically non-compliant hospitals approach closure.

2) **Background.** CEQA generally requires state and local government agencies to inform decisionmakers and the public about the potential environmental impacts of proposed projects, and to reduce those impacts to the extent feasible.

Generally, CEQA actions taken by a public agency may be challenged in superior court once the agency approves a project or determines to carry it out. CEQA appeals are subject to relatively short statutes of limitations. Under current law, a petitioner generally has 30 to 35 days from the time a public agency makes a CEQA decision to challenge the decision in court. Current law requires courts to give CEQA actions preference over all other civil actions. The petitioner must request a hearing within 90 days of filing the petition and, generally, briefing must be completed within 90 days of the request for hearing. There is no deadline by which the court is to render a decision. Over the past decade, the state has adopted several measures that permit cases involving CEQA to obtain preferred, fast-track treatment in the courts.

AB 900 (Buchanan), Chapter 354, Statutes of 2011, and SB 292 (Padilla), Chapter 353, Statutes of 2011, established expedited CEQA judicial review procedures for a limited number of projects. For AB 900, it was large-scale projects meeting extraordinary environmental standards and providing significant jobs and investment. For SB 292, it was a proposed downtown Los Angeles football stadium and convention center project achieving specified traffic and air quality mitigations. For these eligible projects, the bills provided for original jurisdiction by the Court of Appeal and a compressed schedule requiring the court to render a decision on any lawsuit within 175 days. This promised to reduce the existing judicial review timeline by 100 days or more, while creating new burdens for the courts and litigants to meet the compressed schedule. AB 900's provision granting original jurisdiction to the Court of Appeal was invalidated in 2013 by a decision in the Alameda Superior Court. Statute was subsequently revised to restore jurisdiction to superior courts and require resolution of lawsuits within 270 days, to the extent feasible.

As part of their expedited judicial review procedures, these bills required the lead agency to prepare and certify the record of proceedings concurrently with the administrative process and required the applicant to pay for it. Since 2011, several additional bills have provided

similar project-specific concurrent preparation procedures. In addition, SB 122 (Jackson), Chapter 476, Statutes of 2016, established an optional concurrent preparation procedure for any CEQA project, subject to the lead agency agreeing, and the applicant paying the agency's costs.

Writing in support, Sutter Health asserts that rising costs, inflationary pressures, labor shortages, and financing constraints already provide formidable challenges for hospital construction projects in California, and that there is a “growing consensus that the protracted CEQA compliance and litigation process unnecessarily delays and jeopardizes the significant benefits hospital projects can provide California communities.” Sutter Health argues this bill “addresses a pressing access challenge facing California’s health care system at a time when new hospital construction – particularly in Northern California – is exceedingly rare.”

- 3) **Related Legislation.** AB 830 (Arreguín) of the current legislative session establishes expedited administrative and judicial review procedures under CEQA for an environmental leadership hospital campus project in the City of Emeryville. AB 830 died on the Senate Inactive File.

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