

ASSEMBLY THIRD READING

AB 2231 (Ahrens)

As Amended April 22, 2026

Majority vote

SUMMARY

Establishes expedited administrative and judicial review procedures under the California Environmental Quality Act (CEQA) for "environmental leadership hospital campus projects" in the cities of Emeryville and Santa Clara, requiring the courts to resolve lawsuits within 270 days, to the extent feasible.

Major Provisions

- 1) Requires the Emeryville and Santa Clara city councils to certify an eligible hospital project for streamlining (i.e., expedited administrative and judicial review) if the city finds the following conditions will be met:
 - a) The project will result in an investment of at least one billion dollars in California upon completion.
 - b) The project does not result in any net additional GHG emissions, as specified.
 - c) The project applicant will enter into a legally binding and enforceable community benefits agreement with the lead agency that may include specified measures in addition to any other mitigation measures required pursuant to CEQA.
 - d) The project will achieve a reduction in vehicle miles traveled per capita of at least 15 percent compared to existing development.
 - e) The project will obtain certification as LEED gold standard or better for all new construction that is eligible for LEED certification.
 - f) The project applicant will, before the completion of the project, certify to the lead agency that the project applicant has completed a health impact review by the Attorney General and will comply with any resulting conditions issued by the Attorney General, as specified.
 - g) The project will generate at least 500 jobs during construction.
 - h) The project creates high-wage, highly skilled jobs that pay prevailing wages and living wages, employs a skilled and trained workforce, as defined, provides construction jobs and permanent jobs for Californians, and helps reduce unemployment. These requirements do not apply to a contractor or subcontractor performing work that is subject to a project labor agreement.
 - i) The project applicant demonstrates compliance with specified recycling requirements.
 - j) The project applicant agrees that all mitigation measures required pursuant to CEQA and any other environmental measures required by this bill shall be conditions of approval of the project, and those conditions will be fully enforceable by the lead agency.

- k) 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 section, including payment of the costs for the appointment of a special master if deemed appropriate by the court, in a form and manner provided in the rules of court adopted by the Judicial Council.
 - l) 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 pursuant to this division, in a form and manner specified by the lead agency for the project.
- 2) Requires the Judicial Council to adopt rules of court to establish procedures that require resolution, to the extent feasible, within 270 days, including any appeals, of a lawsuit challenging the certification of the EIR or any project approvals.
- 3) Makes related findings.

COMMENTS

CEQA provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. If a project is not exempt from CEQA, an initial study is prepared to determine whether the project may have a significant effect on the environment. If the initial study shows that there would not be a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that the project may have a significant effect on the environment, the lead agency must prepare an EIR.

An EIR must accurately describe the proposed project, identify and analyze each significant environmental impact expected to result from the proposed project, identify mitigation measures to reduce those impacts to the extent feasible, and evaluate a range of reasonable alternatives to the proposed project. If mitigation measures are required or incorporated into a project, the agency must adopt a reporting or monitoring program to ensure compliance with those measures.

Generally, CEQA actions taken by public agencies can be challenged in superior court once the agency approves or determines to carry out the project. CEQA appeals are subject to unusually short statutes of limitations. Under current law, court challenges of CEQA decisions generally must be filed within 30-35 days, depending on the type of decision. The courts are required to give CEQA actions preference over all other civil actions. However, the schedules for briefing, hearing, and decision are less definite. 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 specified for the court to render a decision.

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.

Arguments in Support

According to Sutter Health, 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. Numerous health care projects have been delayed, or completely halted, over the past decade in California due to CEQA. Passing AB 2231 is imperative for patients as Sutter Health is undertaking two major hospital investments that are essential to preserving and expanding regional access to care...The bill is narrowly tailored, geographically specific, and focused exclusively on hospital projects with a clear public health benefit. It maintains strong labor protections, and applies only to urban, infrastructure-ready sites where timely delivery is critical to patient access.

Arguments in Opposition

According to the Western Electrical Contractors Association, AB 2231 creates a system where workers on PLA projects are afforded fewer rights, fewer remedies, and less transparency than those on non-PLA projects. This is not a proworker policy—it is a carveout that replaces public enforcement with private arbitration and strips workers of long-standing statutory protections...By exempting PLA projects from core labor standards and enforcement mechanisms, AB 2231 effectively pressures developers into adopting PLAs to avoid regulatory requirements. This is not about improving outcomes—it is about creating unequal rules that favor one project delivery model over all others, to the detriment of fair and open competition.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, 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.

VOTES**ASM NATURAL RESOURCES: 14-0-0**

YES: Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Aguiar-Curry, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ABS, ABST OR NV: Arambula

UPDATED

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