

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2569 (Hart) – As Introduced February 20, 2026

Policy Committee: Natural Resources

Vote: 9 - 4

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill expands the scope of the California Environmental Quality Act (CEQA) analysis to explicitly include consideration of significant effects that may result from locating a project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions, validating prior CEQA practice and invalidating a 2015 California Supreme Court decision.

Specifically, this bill:

- 1) Requires the “detailed statement” as part of an Environmental Impact Report (EIR) to additionally include any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.
- 2) Revises the definition of “environment” to include the health and safety of people affected by the physical conditions at the location of a project.
- 3) Revises the definition of “significant effect on the environment” to include exposure of people, either directly or indirectly, to a substantial existing or reasonably foreseeable natural hazard or adverse condition of the environment.

**FISCAL EFFECT:**

By expanding what triggers a finding of "significant effect on the environment" under CEQA and expanding the scope of what must be disclosed in an EIR, this bill will result in increased ongoing annual costs of an unknown but potentially significant amount, possibly in the low millions of dollars in the aggregate, to state agencies subject to CEQA for publicly funded or agency-led projects (General Fund or special fund).

*Department of Parks and Recreation (State Parks).* State Parks asserts it cannot comply with the requirements of this bill within existing resources. According to State Parks, an average, somewhat complex project undergoing the department’s internal CEQA review process resulting in a Notice of Exemption (NOE) costs the department about \$50,000 to \$60,000 and between four and six months of review time. An initial study resulting in a negative or mitigated negative declaration can range from \$150,000 to \$200,000 and takes over a year to complete. An EIR averages \$250,000 or more.

State Parks processes approximately 400 CEQA notices and documents annually, with about 95% resulting in NOEs. It is challenging to estimate how many department-led projects may require a higher level of review under this bill, but State Parks conservatively estimates an increase of \$5 million annually (General Fund or bond funds) in addition to the much lengthier processing times.

*Department of General Services (DGS).* DGS anticipates General Fund cost increases of \$170,000 per CEQA document (for additional qualitative and quantitative analysis, including modeling), although exact costs will depend on the specific project, project location, and availability of existing environmental data. DGS additionally anticipates \$400,000 in added litigation costs per lawsuit where it is the lead agency, for affordable housing projects, and for projects using the State Project Infrastructure Fund, as well as significantly higher costs for mitigation for certain projects. DGS notes these increased costs will materially impact the types and number of projects and sites state agencies are able to undertake or acquire, respectively.

*Department of Corrections and Rehabilitation (CDCR).* CDCR estimates increased General Fund costs of an unknown amount resulting from the need to incorporate both the expanded scope of significant effects into its EIRs as well as the cost of associated additional mitigation measures. CDCR notes this bill may invite additional legal challenges regarding the validity of any EIR or the information used in the development of the EIR, which may result in additional project costs and schedule delays.

*State Water Resources Control Board (State Water Board).* The State Water Board estimates ongoing annual General Fund costs of \$250,000 to analyze environmental impacts for projects located near natural hazards or adverse environmental conditions where the State Water Board or a Regional Water Quality Control Board serves as the lead agency.

*University of California (UC).* The UC system estimates ongoing annual General Fund costs of an unknown amount to comply with CEQA as well as increased costs related to legal challenges. The UC notes this bill may significantly impact its ability to build urgently needed university housing for students, faculty, and staff.

*Air Resources Board (ARB).* ARB anticipates ongoing annual costs (General Fund or special fund), potentially in the millions of dollars, to conduct more extensive environmental analyses for its regulations, including for minor amendments. ARB argues the bill also introduces a significant amount of litigation risk for the board by adding new areas of analysis that must be evaluated on a statewide level.

Numerous other state agencies, including Department of Transportation, Department of Forestry and Fire Protection, Department of Fish and Wildlife, Department of Water Resources, California State University, and California Community Colleges, are subject to CEQA for publicly funded projects and will likely see commiserate cost increases as a result of this bill.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

#### **COMMENTS:**

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

Enacted in 1970, CEQA is the state's bedrock environmental law, ensuring that environmental impacts are considered before projects are approved. Current law, however, does not clearly require agencies to evaluate how hazards like wildfires, flooding, or extreme heat may impact people brought into a project. With worsening climate change and natural hazards, this lack of clarity has allowed developments to be approved without a full analysis and understanding of the risks to future residents. AB 2569 will clarify that human health and safety is a core part of environmental review and require agencies to assess when projects may expose people to natural hazards, helping prevent unsafe development and better protect communities.

- 2) **Background. CEQA and EIRs.** 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, the lead agency prepares an initial study to determine whether the project may have a significant effect on the environment. If the initial study shows the project would not have a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that project may have a significant effect, the lead agency must prepare an EIR.

Generally, 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. Prior to approving any project that has received environmental review, the lead agency must make certain findings. If mitigation measures are required or incorporated into a project, the lead agency must adopt a reporting or monitoring program to ensure compliance with those measures.

**Legal History.** As detailed in the Assembly Natural Resources Committee's analysis of this bill, Section 15126.2 of the CEQA Guidelines details how to consider and discuss significant environmental impacts of a proposed project. 15126.2(s) states that an EIR shall also analyze "any significant environmental effects the project might cause or risk exacerbating by bringing development and people into the area affected." For example, the guidelines state, the EIR should evaluate "any potentially significant direct, indirect, or cumulative environmental impacts of locating development in areas susceptible to hazardous conditions (e.g., floodplains, coastlines, wildfire risk areas)."

A 2011 decision by the Second District Court of Appeal, *Ballona Wetlands Land Trust v. City of Los Angeles*, held that the requirement in Section 15126.2(a) is invalid. Finding that CEQA literally requires analysis of the project's significant impacts on the environment – and not the environment's impacts on the project – the court held that the effects of preexisting environmental hazards on the project and its users are not environmental impacts under CEQA. According to the court, to hold otherwise would be inconsistent with the statute's legislative purpose and statutory requirements.

Then a 2015 decision by the California Supreme Court, *California Building Industry Association (CBIA) v. Bay Area Air Quality Management District*, held that CEQA generally did not require agencies to analyze the impacts of existing environmental conditions on

future users or residents of a project. Instead, agencies were only required to evaluate how the project might exacerbate existing environmental hazards.

***Support and Opposition.*** Writing in support, a coalition of environmental and environmental justice organizations argues the result of the 2015 decision is that developers can “site projects in fire-prone canyons, flood zones, near freeways, and on contaminated land, and bear no obligation under CEQA to assess, disclose, or mitigate the potential impacts of these hazards on human health and safety.” The coalition cites an example of an East Sacramento project, which proposed 336 housing units between the Capital City Freeway and Union Pacific rail tracks, “potentially exposing future residents to elevated cancer and health risks from these polluting sources.” The coalition notes that “community concerns were dismissed, as the court deemed freeway pollution as an existing condition under CEQA.” Supporters also assert the bill applies only to projects already subject to CEQA and does not impede the application of recent bills that create various ministerial approval pathways for projects or statutory and categorical exemptions from CEQA.

Among others in opposition, the California Building Industry Association (CBIA) argues this bill will drive up the cost of housing and various other projects in California “by massively expanding the scope and uncertainty of [CEQA,]” and exposing projects “to a new layer of analysis regarding pre-existing hazard conditions – conditions the project did not create and cannot control – adding cost, delay, and legal uncertainty to the approval process.” CBIA further argues the bill creates significant new litigation exposure and that “the state’s existing framework of hazard mitigation planning, building codes, safety element requirements, disclosure mandates, and adaptation planning already provide robust protections.”

**Prior Legislation.** AB 953 (Ammiano), of the 2013-2014 Legislative Session, was substantially similar to this bill and died on the Assembly Inactive File.

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