
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair
2025 - 2026 Regular

Bill No: AB 735
Author: Carrillo
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Fiscal: Yes
Consultant: Favorini-Csorba

PLANNING AND ZONING: LOGISTICS USE DEVELOPMENTS: TRUCK ROUTES

Makes various changes to AB 98 (Carrillo and Reyes, 2024), which regulates warehouse development.

Background

Land use planning. The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory “elements,” including a land use element that specifies that general types and intensities of use that are allowed in different areas covered by the general plan. Cities’ and counties’ major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

Local governments use their police power to enact zoning ordinances that shape the physical form of development and the allowable activities in an area. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations.

Warehouses and other logistics uses. The proliferation of e-commerce and consumer expectations for rapid shipping contributed to a boom in warehouse development in California. The Environmental Justice Bureau at the California Attorney General’s Office notes that in the Inland Empire alone, 150 million square feet of new industrial space was developed from 2009-2019, and that 21 of the largest 100 logistics leases signed in 2019 were located in the Inland Empire.

Numerous studies have correlated the presence of warehouses with negative health effects on nearby communities, due primarily to the truck traffic associated with the warehouses. Under Attorney General Xavier Becerra, the Office of the Attorney General (OAG) adopted a guidance memo titled *Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act*. The memo notes: “among other pollutants, diesel trucks visiting warehouses emit nitrogen oxide (NOx)—a primary precursor to smog formation and a significant factor in the development of respiratory problems like asthma, bronchitis, and lung

irritation—and diesel particulate matter (a subset of fine particulate matter that is smaller than 2.5 micrometers)—a contributor to cancer, heart disease, respiratory illnesses, and premature death. Trucks and on-site loading activities can also be loud, bringing disruptive noise levels during 24/7 operation that can cause hearing damage after prolonged exposure.”

Warehouse mitigation measures. The OAG’s memo identifies best practices for avoiding and mitigating impacts associated with warehouse development. Among the recommendations proposed in the memo related to the siting and design of warehouses the memo notes that a best practice includes siting warehouse facilities so that their property lines are at least 1,000 feet from the property lines of the nearest sensitive receptors. Sensitive receptors are areas that children, the elderly, and other vulnerable populations congregate, such as residences or schools.

2024 warehouse development legislation. In response to growing concerns about the effects of warehouses on sensitive receptors, the Legislature enacted AB 98 (Carrillo and Reyes, 2024). AB 98 establishes minimum requirements that must be met for local agencies to approve development of new or expanded logistics uses (warehouses) on or after January 1, 2026 that have loading bays within 900 feet of schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds. These standards require logistics uses to be located on larger roads, unless it is impractical to do so, and establish, among other requirements:

- Minimum distances (setbacks) between loading bays and the property line of a sensitive receptor of 300 feet if the project is proposed on land that is zoned for industrial use, or 500 feet if not;
- Buffer zones around the properties that screen sensitive receptors using trees and walls;
- Site design requirements, such as orienting loading bays on the opposite side of the facility from sensitive receptors where feasible; and
- Building electrification requirements; and operational requirements (including phased-in mandates for zero-emission forklifts and other equipment, where feasible).

The law also requires developers replace any demolished housing on a two-for-one basis with affordable units, along with providing relocation payments to displaced tenants.

AB 98 applies stricter criteria to logistics uses in the warehouse concentration region (WCR), which includes Counties of Riverside and San Bernardino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernardino. Among other things, all new or expanded logistics uses in the WCR must have a 500-foot setback from nearby sensitive receptors.

Logistics uses under 250,000 square feet do not have to meet as stringent standards, including no required setbacks if they are on industrial land. The law also includes specific exemptions for certain projects already existing or in the planning process before September 30, 2024.

Furthermore, AB 98 mandates that all cities and counties update their general plan’s circulation element by January 1, 2028 (or January 1, 2026 for jurisdictions in the WCR) to designate truck routes that avoid residential areas and sensitive receptors, maximizing the use of highways and major arterials. The law includes requirements for public input and making route maps publicly available.

Finally, AB 98 directs the South Coast Air Quality Management District to conduct air quality monitoring near warehouses in Riverside and San Bernardino Counties and report on pollution impacts to evaluate the effectiveness of the mandated setbacks.

As approved by the Legislature, AB 98 included some provisions that were unclear. The author wants to make clarifying changes to AB 98 to improve its implementation.

Proposed Law

Assembly Bill 735 makes various changes to AB 98.

Current law defines a logistics use to mean a building in which cargo, goods, or products are moved or stored for later distribution, as specified. **AB 735** narrows the definition of “logistics use” to be a building that is primarily used as a warehouse for the movement or the storage of cargo, goods, or products, and excludes agricultural buildings that are operated for less than 90 consecutive days a year.

Current law defines a sensitive receptor to include schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds. **AB 735** adds to this list land that will be used to ensure the public’s right of access to the sea pursuant to the California Coastal Act of 1976.

Current law under AB 98 requires a logistics use that demolishes any housing unit that was occupied in the last 10 years, it must replace those units with two units of moderate- or low-income housing per one housing unit demolished, as specified. If residential dwellings are affected through purchase, the developer must provide any displaced tenant with an amount equivalent to 12 months’ rent at the current rate. Current law under the Housing Crisis Act requires one to one replacement of demolished housing units, as well as specified relocation assistance and a right to return. **AB 735** provides that nothing in AB 98 limits or precludes compliance with the Housing Crisis Act’s requirements.

Current law requires a city or county to update its circulation element to include truck routes by January 1, 2026 in the WCR, and by January 1, 2028 in the rest of the state, and allows the AG to administratively fine them \$50,000 every six months if they do not comply. **AB 735** delays implementation of this requirement outside of the WCR until January 1, 2035 for cities with a population of 50,000 or fewer people or counties with a population of 100,000 or fewer in the unincorporated area of the county. **AB 735** also repeals the administrative fine authority for the AG and instead makes local governments that the AG finds have not made a good faith effort to comply subject to the following penalties:

- A civil penalty of up to \$50,000 every six months, for each violation, accrued from the date of the violation until the violation is cured;
- All costs of investigating and prosecuting this action, including expert fees, reasonable attorney’s fees, and costs; and
- Other relief deemed appropriate by the court.

AB 735 provides that civil penalties collected pursuant to this section must be paid to the AG.

Current law specifies that the truck routes must direct travel along arterial roads, major thoroughfares, or “local roads that predominantly serve commercially oriented uses,” and defines

that term to mean roads with 50% of the properties fronting the road within 1,000 feet are designated for commercial or industrial uses in the local zoning ordinance. **AB 735** adds agricultural uses to this list and states that the 1,000 foot length of road must be measured from the truck entrances and exits.

AB 735 makes other changes that:

- State that the building codes that apply are those that are in effect at the time the building permit is issued, consistent with existing law;
- Ensure that all electrification requirements only apply if sufficient power is available;
- Consistently use the term “logistics use development” throughout the law in place of other varying words that referred to warehouses; and
- Make other technical changes.

Comments

1. Purpose of the bill. According to the author, “Last year, AB 98 established statewide standards for the siting, design, development, and operation of warehouses. AB 735 follows in AB 98’s momentum and makes technical and clarifying changes to the state law established by AB 98. This bill responds to the questions my office has received from a wide range of stakeholders on how AB 98 should be implemented.”

2. Pay the man. One concern from local governments regarding AB 98 was that the bill imposed fines on them if they couldn’t meet the aggressive timelines in the bill for updating their circulation element to include the truck routing plan required by the bill. AB 735 makes changes to this provision that both help and hurt local governments. It grants many of them more time to comply and provides that they are only subject to fines if the AG finds that they haven’t made a good faith effort to comply. But it also ups the penalties if the AG doesn’t agree that they made a good faith effort to include attorney’s fees and costs, as well as other relief that a court may grant, and any fines also go to the AG. Because of these countervailing changes, it is unclear whether AB 735 addresses the concerns of local governments regarding the prospect of being penalized for noncompliance with AB 98’s requirements.

3. There’s a long line of cars. The changes in AB 735 are largely minor in scope. Many organizations have submitted letters on the bill that identify additional changes to AB 98’s requirements that they are seeking, including business groups, cities and counties, environmental justice groups, and others. A few of the more significant requests include changes to:

- *Warehouse expansion.* AB 98 currently applies to logistics uses that expand the square footage of an existing logistics use by 20% or more. Business groups say it is unclear whether AB 98’s requirements apply if an existing logistics use is demolished and a new building is constructed in its place. They want to specifically allow demolition and reconstruction on the site of an existing logistics use without triggering AB 98’s requirements;
- *Setback requirements.* AB 98 imposed various buffers and setback requirements between warehouses and homes, schools, and other sensitive receptors. Environmental justice groups say that some local governments have cited AB 98 as a reason to reduce their local setback requirements for warehouses. These groups want to increase the setback

and buffer requirements in state law. Business groups, on the other hand, contend that the existing buffer requirements could be interpreted in an overly limiting fashion;

- *Feasibility requirements.* Some siting, design, and electrification requirements in AB 98 do not apply if they are not feasible, but feasibility is not defined. Environmental justice groups are concerned this could create loopholes and want to delete the feasibility requirements; and
- *Truck routing.* AB 98 requires local governments to update their circulation elements with truck routing plans. Cities and counties say that updating the circulation element will be challenging because this update will trigger a host of other laws requiring changes to their general plans, and that there are at least three counties that have a sole planning staffer to do the work. They want to be able to adopt an ordinance instead.

4. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 735 imposes new duties on local governments, Legislative Counsel says it imposes a new state mandate. AB 735 disclaims the state's responsibility for providing reimbursement by citing local governments' authority to charge for the costs of implementing the bill's provisions.

5. Related legislation. SB 415 (Reyes), which the Committee approved at its April 30th hearing on a vote of 7-0, is identical to AB 735. That measure is pending in the Assembly Local Government Committee. The authors of both AB 735 and SB 415 have committed to a joint process that moves identical bills through the Legislature.

Assembly Actions

Assembly Local Government Committee:	8-0
Assembly Appropriations Committee:	11-1
Assembly Floor:	61-4

Support and Opposition (7/3/25)

Support: Valley Industry and Commerce Association (VICA)

Opposition: None Submitted

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