
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Blakespear, Chair

2025 - 2026 Regular

Bill No: SB 1375

Author: Cortese

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Hearing Date: 4/15/2022

Urgency: No

Fiscal: Yes

Consultant: Brynn Cook

SUBJECT: California Environmental Quality Act:exemptions:City of San Jose:Diridon Station

DIGEST: This bill creates a California Environmental Quality Act (CEQA) exemption for the Diridon Station in San Jose.

ANALYSIS:

Existing law:

- 1) Requires under CEQA that a lead agency determines whether a project is exempt from CEQA, or if it must do an initial study to determine if a project will have significant effects on the environment. If a project has no effect on the environment or effects that can be mitigated, the lead agency prepares a negative declaration (ND) or mitigated ND (MND). If the project will have significant impacts, the lead agency prepares an environmental impact report (EIR) to evaluate and propose mitigation measures for any effects on the environment, including impacts or likely impacts to land, air, water, minerals, flora, fauna, ambient noise, and historic or aesthetic significance. (Public Resources Code (PRC) §§21000 et seq.)
- 2) Establishes over 135 CEQA exemptions in the public resources code, water code, government code and other statutes, and includes 33 categorical CEQA exemptions in the California Code of Regulations. (CEQA guidelines §15260-15285)
- 3) Establishes specific exemptions relating to railroads, including:
 - a) Development, construction, or operation of a heavy maintenance facility or other maintenance facility for electrically powered high-speed rail, or passenger rail stations for the purpose of serving the high-speed rail meeting certain conditions. (PRC § 21080.70)
 - b) Any railroad grade separation project that eliminates an existing grade crossing or reconstructs an existing grade separation. (§21080.13)

- c) A transit comprehensive operational analysis, transit route readjustment, or other transit agency route addition, elimination, or modification (PRC § 21080.20(a)(B))
 - d) The institution or increase of passenger or commuter services on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities. (PRC §21080(b)(10)).
 - e) Facility extensions not to exceed four miles in length required to transfer passengers from or to exclusive public mass transit guideway or busway public transit services. (PRC §21080(b)(12)).
 - f) A public project for the construction, operation, or repair of zero emission and near-zero powertrain vehicles, rail or cable cars, or rolling stock, among others. (PRC § 21080.25 (b)(5))
 - g) A public project for the maintenance, construction, or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission trains or certified Tier 4 or cleaner rolling stock or locomotives in an existing right of way (ROW). (PRC § 21080.25 (b)(6))
- 4) Defines ‘Natural and Protected Lands’ to mean sites located within any of the following locations:
- a) The state park system;
 - b) A wilderness area;
 - c) A marine protected area;
 - d) The national park system;
 - e) A national recreation area;
 - f) A national monument;
 - g) The national wild and scenic rivers system;
 - h) Any ecological reserve or wildlife management area acquired and managed by the Department of Fish and Wildlife;
 - i) A hazardous waste site, unless:
 - i) The site is an underground storage tank site that received a uniform closure letter based on closure criteria established by the State Water Resources Control Board for the use proposed by the project.
 - ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code has otherwise

determined that the site is suitable for the use proposed by the project;

- j) Within a regulatory floodway ;
- k) Lands under conservation easement;
- l) Within 300 feet of a wetland;
- m) An environmentally sensitive area within the coastal zone;
- n) Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act or other adopted natural resource protection plan;
- o) Within a very high fire hazard severity zone, unless the sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development;
- p) Either prime farmland or farmland of statewide importance (PRC § 21067.5)

This bill:

- 1) Establishes a CEQA exemption for the Diridon Station, a public project in the City of San Jose. This includes CEQA exemptions for the track, platform, station, public plaza or realm, roadway crossing and access improvements, and intermodal facilities and connections.
- 2) Makes related findings and declarations.

Background

- 1) *The A, B, C's of CEQA.* CEQA is designed to (a) make government agencies and the public aware of the environmental impacts of a proposed project, (b) ensure the public can take part in the review process, and (c) identify and implement measures to mitigate or eliminate any negative impact the project may have on the environment. CEQA is enforced by civil lawsuits that can challenge any project's environmental review.

Under CEQA, projects (unless they have a specific exemption) must undergo environmental analysis. This process starts with an initial study which determines what level of further environmental review is needed for a given project. If a project has no significant effects on the environment, or if those effects can be fully mitigated, the project can move forward with a negative declaration (ND) or mitigated negative declaration (MND). If the initial study finds the project has potential significant effects on the environment, then a full EIR is conducted.

- 2) *CEQA Exemptions: Categorical and Statutory.* Some types of projects may be eligible for CEQA exemptions. If a project is exempt from CEQA, the lead agency simply identifies which exemption the project is eligible for, and no further environmental review or public engagement is required.

There are two types of CEQA exemptions— statutory and categorical. Statutory exemptions are created by the Legislature and apply even if a project has the potential to significantly affect the environment. In contrast, categorical exemptions, which are developed by the Office of Land Use and Climate Innovation (LCI) and approved by the Secretary of the Natural Resources Agency as part of the CEQA guidelines, generally do not apply if there are significant environmental impacts associated with the project. More specifically, categorical exemptions do not apply if (1) there is a reasonable possibility of a significant effect on the environment due to unusual circumstances; (2) significant cumulative impacts from projects of the same type will result; or (3) the project will have impacts on a uniquely sensitive environment.

There are over 120 statutory CEQA exemptions in the Public Resources Code, Water Code, Government Code, Health and Safety Code. There are also 33 categorical CEQA exemptions listed in the CEQA guidelines. However, these exemptions are almost exclusively for types of projects, not for specific projects.

- 3) *CEQA exemptions for rail projects.* There are numerous CEQA exemptions that could apply for rail projects, including CEQA exemptions for: facility extensions up to four miles long to transfer passengers to transit services, and public projects for the construction, operation, or repair of zero emission and near-zero powertrain vehicles, rail or cable cars. This includes two CEQA exemptions for rail facilities that were passed through the Legislature last year in SB 71 (Chapter 742, Statutes of 2025) and SB 131 (Chapter 24, Statutes of 2025). The relevant portions of these two policies do, briefly, the following:
- a) SB 131 creates an exemption for construction, operation, or maintenance of high-speed rail projects that meet certain criteria, specifically that:
 - i) The station is located within the resource study area of a previously certified environmental impact report prepared for a high-speed rail or passenger rail project
 - ii) The project incorporates all applicable mitigation measures identified in the previously certified environmental impact report.

- b) SB 71 (Wiener, Chapter 742, Statutes of 2025) Creates a CEQA exemption for public projects for rail facilities for zero-emission and for near zero emission, low oxide of nitrogen engine, compressed natural gas fuel, fuel cell, or hybrid powertrain vehicles, rail or cable cars, rolling stock, or vessels. To be eligible for this rail facility project, the project must be located entirely within an existing public right-of-way and in an urban area.

This CEQA exemption also applies to certified Tier 4 or cleaner rolling stock or locomotives, except that the exemption does not need to be in an urban area: instead, the project cannot be located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone.

- 4) *Diridon Station*. According to the City of San José’s website on the project, “Diridon Station, a key transit hub at the western edge of Downtown San José, will be expanded and redesigned to address the region's future transit needs. A collaboration among five public agencies – City of San José, Caltrain, Santa Clara Valley Transportation Authority (VTA), California High-Speed Rail Authority (CHSRA), and Metropolitan Transportation Commission (MTC) (collectively the “Partner Agencies”)– is underway to develop a comprehensive plan for the station. This initiative aims to improve the station's integration with the surrounding area, positioning it as a catalyst for both economic and community development. The goal of the project is to increase transit capacity and service, facilitate seamless transfers, and create a safe, passenger-friendly station.”¹

The project was begun in 2023 with a two-year “Business Case” phase to assess project alternatives. Following a decision made May of 2025, according to the City website, the Partner Agencies began environmental review on the project, which is expected to take approximately three to four years.

Comments

- 1) *Purpose of Bill*. According to the author, “SB 1375 is a targeted, project specific measure that recognizes the extensive environmental review already completed for major transit projects and adopted land use plans in the Diridon Station area.

“This exemption applies only to the Diridon Station Modernization Program in San Jose and maintains full compliance with all other environmental laws and

¹ The Future of Diridon Station, City of San José. <https://www.diridonsj.org/> Accessed 4/5/2026

permitting requirements. Advancing this project is critical for the region, as the modernized station will deliver significant environmental and mobility benefits by supporting mode shift from automobiles, reducing greenhouse gas emissions, and strengthening major rail and transit connections. It will also spur transit-oriented housing, mixed use development and create thousands of good jobs. SB 1375 responsibly saves time and public funds while enabling timely delivery of a key statewide mobility, climate, and economic asset.”

- 2) *Not reinventing the wheel.* As discussed in the background section above, the Legislature passed two new statutory CEQA exemptions for rail stations in 2025. These are SB 71 (Wiener, Chapter 742, Statutes of 2025) for passenger rail stations for zero emission, near zero, and lower emission (Tier IV), and SB 131 (Chapter 24, Statutes of 2025) for high-speed rail stations. However, Diridon is not eligible for either of these exemptions.

Diridon station is not eligible for the CEQA exemption created in SB 71 because it is not in an existing ROW (it deviates from the existing ROW only in some areas, with about 20% of the area of the project outside of the ROW, according to information provided by the sponsors of the bill). While this is only one change from existing law, it is a significant deviation. For example, a portion of the Diridon station project that is not within the existing ROW would cut through a market-rate housing with more than 150 units—an outcome that would have been considered and open to public comment and mitigation measures if the project was fully in an existing ROW that had already undergone CEQA. Diridon station is also not eligible for the CEQA exemption under SB 131 because it does not meet all the necessary siting criteria, since parts of the project are located in a ‘natural and protected land’ as defined in SB 131.

Because Diridon station meets some but not all of the eligibility criteria for CEQA exemptions established for rail projects in SB 71 and SB 131, it cannot use these exemptions. However, the project does meet many of the criteria already listed in those exemptions, including that

- a) The rail is zero-emission, near-zero-emission, or a tier IV diesel passenger rail system;
- b) The project is in an urban area;
- c) The project is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone;
- d) The project is *primarily* in an existing ROW (a modification of the requirement in SB 71 that project be entirely located in an existing ROW).

- e) The project will be in compliance with the California Endangered Species Act (Fish and Game Code Section 2080 et seq.), California Fish and Game Code Section 1600 et seq., the Porter Cologne Water Quality Control Act and all applicable natural resource protection laws.

The author and committee may wish to strike the CEQA exemption for Diridon Station and instead create a new category of CEQA exemptions for a public urban, intermodal rail station within the statewide passenger rail network, at which high-capacity light, commuter, and intercity rail services converge that meets the criteria above in a-e, and further criteria outlined in comment 3 below.

- 3) *Mind the Gap.* While a very detailed level of analysis would be needed to identify the potential environmental impacts associated with missing these requirements, it is clear that there will be a gap in understanding and mitigating environmental impacts resulting from the failure to meet these criteria. Significantly, the Diridon Station is planned to cut through a newly built market-rate housing complex with 162 units and will be built next to existing housing, meaning that construction impacts could effect those nearby residents. Under CEQA, those affected residents would have an opportunity to engage in a public process, including making comments on the environmental review documents that the lead agency would have to respond to.

To ensure that the effects of the project on residents of the housing complex in the path of the project and other nearby residents are mitigated and justly compensated for, the author and committee may wish to add the additional eligibility criteria for the CEQA exemption:

- a) ***The project applicant will submit a plan to the lead agency that will identify how to fully address impacts related to construction;***
- b) ***The project applicant will provide a plan to the lead agency on how any displacement from the project will be fully mitigated in line with federal and state relocation laws and including a plan to replace all lost units through new market-rate and affordable housing and specific commitments to provide assistance to residents facing displacement.***

Moreover, the Diridon station, while in an infill area, is also in an existing conservation easement and near a creek. The impacts of the project on the natural resources at the site would ordinarily be reviewed through CEQA, which could include mitigation measures.

To ensure that all natural resources that might be impacted by the project, and that would have been considered under CEQA review, are protected, ***the author and committee may wish to require the project applicant to adopt a natural resource management plan to be eligible for the CEQA exemption.*** Natural resource management plans include identification of natural resources in an area, and plans to protect those resources, including avoiding impacts or mitigating impacts when necessary.

The Diridon station project will replace a historic stadium with a new one: impacts to historic structures under CEQA would be required to be evaluated and mitigated where possible. ***To protect the historic structure, the author and committee may wish to specify that eligibility for the CEQA exemption include a requirement that the project shall be in compliance with Section 106 of the National Historic Preservation Act of 1966.***

By adopting these amendments, SB 1375 would allow the Diridon Station project to proceed, while adding important environmental guardrails to address some of the potential impacts to the surrounding communities and environs.

- 5) *Committee amendments. Staff recommends the committee adopt the bolded amendments contained in comment 5 above.*

DOUBLE REFERRAL:

If this measure is approved by the Senate Environmental Quality Committee, the do pass motion must include the action to re-refer the bill to the Senate Transportation Committee.

Related/Prior Legislation

SB 71(Wiener, Chapter 742, Statutes of 2025) created a CEQA exemption for many transportation projects, including zero emission

SB 131 (Chapter 24, Statutes of 2025) created, among numerous other changes to CEQA, a CEQA exemption for high speed rail facilities meeting certain criteria including that the project is not located on natural and protected lands.

SOURCE: Author

SUPPORT:

Bay Area Council
California-nevada Conference of Operating Engineers
City of San Jose
Greenbelt Alliance
International Union of Operating Engineers, Cal-nevada Conference
Metropolitan Transportation Commission
San Jose Chamber of Commerce
Santa Clara Valley Transportation Authority
Silicon Valley Bicycle Coalition
Streets for All

OPPOSITION:

None received

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