
THIRD READING

Bill No: SB 1375
Author: Cortese (D)
Amended: 4/16/26
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 4/15/26
AYES: Blakespear, Valladares, Allen, Dahle, Gonzalez, Hurtado, Menjivar

SENATE TRANSPORTATION COMMITTEE: 12-0, 4/21/26
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Dahle, Gonzalez,
Grayson, Richardson, Seyarto, Valladares, Wiener
NO VOTE RECORDED: Menjivar

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

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

SOURCE: Author

DIGEST: This bill creates a California Environmental Quality Act (CEQA)
exemption for certain rail transit stations, as specified.

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. (PRC § 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))

This bill:

- 1) Establishes a CEQA exemption for a public urban, intermodal rail station project within a long-urbanized area within the statewide passenger rail network, at which high-capacity light, commuter, and intercity rail services converge that meet the following conditions:
 - a) The project shall primarily modernize and expand existing station facilities and rail infrastructure to improve operational efficiency; passenger capacity; and intermodal connectivity; including changes to tracks; platforms; station facilities; public plazas or realms; safety, noise, or sound barriers; roadway crossing and access improvements; intermodal connections and facilities; transit-oriented development, and the interface with adjacent development.
 - b) The station passenger rail service will exclusively use Tier IV or cleaner rolling stock or locomotives engines.
 - c) The station is in an urban area and is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter or ozone at the time the exemption is applied for.
 - d) The majority of the station project's footprint must be in an existing public or publicly-owned right of way.
 - e) The project complies with all applicable historic preservation measures, as specified.
 - f) The project adopts a natural resource management plan or equivalent document that identifies what natural resources are present on the site and how environmental impacts affecting those natural resources will be avoided, reduced, and/or compensated for.
 - g) The project is in compliance with the California Endangered Species Act, the Porter Cologne Water Quality Control Act, and all applicable natural resource protection laws.
 - h) The project adopts a Construction Impact and Mitigation Plan, specifying mechanisms to reduce to below state and local requirements construction-related impacts and communicate proactively and responsively with the community.

- i) The project adopts a plan on how any displacement from the project will be fully addressed in line with federal and state relocation laws, including a plan to replace any lost housing units through new market-rate and affordable housing.
 - j) The displacement plan includes specific commitments to expanding tenant education resources and offering tenants subject to relocation by the project access to legal counsel.
 - k) The local land use authority adopts an Affordable Housing Implementation Plan to further plan for and address displacement that prioritizes the production of new affordable housing units; preservation of affordable homes; and protection of vulnerable residents from displacement. The plan may be citywide or for a specific area covering the project.
- 2) Includes findings and declarations regarding the need for modernization of intermodal rail stations.
- 3) Declares that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

Background

- 1) *Transportation and climate change.* California's transportation network consists of streets, highways, railways, bicycle routes, and pedestrian pathways. This network provides people and businesses the ability to access destinations and move goods and services throughout the state. Construction, operations, and maintenance responsibilities are shared amongst state, regional, tribal and local governments. Funding for these activities comes from federal, state, and local taxes, fees and assessments, private investments and tribal investments. This collaborative effort results in a well-integrated transportation network that provides mobility for 40 million people, while helping California sustain its position as the world's fourth largest economy. Currently, roughly \$35 billion (federal, state, and local funds combined) is spent annually in California on building and maintaining the transportation network. Additionally, the federal Infrastructure Investment and Jobs Act (IIJA, P.L. 117- 58), was expected to provide California with approximately \$40 billion over five years.

Emissions from the transportation sector, the state's largest source of greenhouse gas (GHG) emissions, are still on the rise despite statewide GHG emission reduction efforts and increasingly ambitious targets. According to California Air Resources Board (CARB)'s GHG emission inventory, the transportation sector emissions have grown to 41% of California's total emissions as of 2017. A 2018 Legislative Analyst's Office report found that roughly 90% of the transportation sector's emissions were from on-road sources – 69% passenger vehicles and 22% heavy-duty vehicles. Within the transportation sector, measures to reduce GHG emissions include requiring the use of low carbon fuels, cleaner vehicles, and strategies to promote sustainable communities, and improved transportation choices that reduce growth in the number of vehicle miles traveled (VMT).

CARB's 2022 Scoping Plan scenario for achieving 85% GHG emission reductions by 2045 calls for a 25% reduction in VMT by 2030 and a 30% reduction in VMT by 2045. Mode shift – getting people out of their cars and onto public transit and active transportation – is an important component of success. For example, achieving these VMT targets through shifting to transit means California would need a 5 to 10 times ridership increase from pre-COVID levels by 2045.

- 2) *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 an ND or MND. If the initial study finds the project has potential significant effects on the environment, then a full EIR is conducted.

- 3) *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.

- 4) *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 (Weiner, Chapter 742, Statutes of 2025) and SB 131 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025). The relevant portions of these two policies do, briefly, the following:

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.

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.

- 5) *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.

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

“This exemption applies only to the Diridon Station Modernization Program in San Jose and maintains full compliance with all other environmental laws and 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) *Diridon Station is not quite eligible for an exemption.* As discussed above, the Legislature passed two new statutory CEQA exemptions for rail stations in 2025. SB 71 is for passenger rail stations for zero emission, near zero, and lower emission locomotives (Tier IV), and SB 131 is for high-speed rail stations. However, Diridon is not quite eligible for either of these exemptions.

Diridon station is not eligible for the CEQA exemption created in SB 71 because it is not in the existing right-of-way of the station. Specifically, it deviates from the existing right-of-way only in some areas, with about 20% of the project falling outside of the existing right-of-way. Some of this 20% contains important existing structures. For example, a portion of the Diridon station project that is not within the existing right-of-way would cut through a market-rate housing development with more than 150 units. This issue would have been considered and open to public comment and mitigation measures if the project was fully in an existing right-of-way that had already undergone CEQA. Diridon station is not eligible for the CEQA exemption under SB 131 because it does not meet all the necessary siting criteria.

SB 1375 creates a new category of CEQA exemptions for large intermodal rail stations. The previous version of SB 1375 created a CEQA exemption specifically for Diridon Station. Recent amendments to the bill instead create a new category of rail exemption for large intermodal rail stations. Specifically, SB 1375 requires the intermodal rail station to be a public, urban intermodal rail station with a long-urbanized area within the statewide passenger rail network at which high-capacity light, commuter, and intercity rail services converge. This new category contains similar environmental guardrails established for rail projects in SB 71 and SB 131, such as requiring the passenger rail service at the station to be zero-emission, near-zero-emission, or a Tier IV diesel; the project is in an urban area; the project is not located in an air basin designated as a

serious, severe, or extreme nonattainment area for particulate matter and ozone; and the project is primarily in an existing right-of-way.

- 3) What are we missing? SB 1375 provides a CEQA exemption for urban intermodal rail systems. It is unclear if any other rail station projects would qualify other than Diridon Station. If the project does not undergo a full CEQA process and analysis, there may be a gap in understanding and mitigation of environmental impacts. As detailed by the sponsors, the Diridon station project has already been the subject of extensive CEQA work. Specifically, the station was included in the BART to Silicon Valley Phase 2 EIR certified in 2018, the Diridon Station Area Plan programmatic EIR certified in 2021, the Downtown West Project EIR certified in 2021, and the high-speed rail project EIR certified in 2022. Additionally, as mentioned above, the project will require a NEPA review because of the use of federal funds. It is estimated that the CEQA exemption in SB 1375 would reduce the project review time by a year.

However, there are areas outside the existing right-of-way worthy of consideration. For example, the Diridon Station project 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 affect 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 help 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, SB 1375 includes the project applicant to submit a plan that will identify how to fully mitigate impacts related to construction, and a plan for how any displacement from the project will be fully mitigated in line with federal and state relocation laws. This would include replacing any lost units through new market-rate and affordable housing, and specific commitments to provide assistance to residents facing displacement.

Additionally, the Diridon station project, 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, SB 1375 requires the project applicant to

adopt a natural resource management plan or equivalent document to be eligible for the 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.

Finally, the Diridon station project will replace a historic stadium with a new one. Any impacts to historic structures under CEQA would be required to be evaluated and mitigated where possible. To protect the historic structure, the bill requires the project applicant to be in compliance with [Section 106 of the National Historic Preservation Act of 1966](#).

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 5/11/26)

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

OPPOSITION: (Verified 5/11/26)

None received

Prepared by: Brynn Cook / E.Q. / (916) 651-4108
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