

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1375 (Cortese) – As Amended April 16, 2026

SENATE VOTE: 39-0

SUBJECT: California Environmental Quality Act: exemption: urban intermodal rail station project

SUMMARY: Exempts from the California Environmental Quality Act (CEQA) 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 meets specified conditions.

EXISTING LAW:

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Exempts a project for the institution or increase of passenger or commuter service on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities. (PRC 21080(b)(10))
- 3) Exempts high-speed rail maintenance facilities and stations that have been evaluated in a prior project-level EIR. (PRC 21080.70)
- 4) Exempts, until January 1, 2040, several public transit project types, including:
 - a) A project for the institution or increase of new bus rapid transit, bus, or light rail service, including the rehabilitation of stations, terminals, or existing operations facilities.
 - b) A project for the institution or increase of zero-emission passenger rail service within an existing rail or highway right-of-way.
 - c) Diesel-powered heavy rail projects meeting the “Tier 4” exhaust emissions standard, if the project is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone.
 - d) A project to construct or maintain infrastructure to charge or refuel zero-emission transit buses, trains, and ferries.
(PRC 21080.25)
- 5) PRC 21080.25 requires exempt projects meet the following criteria:
 - a) A public agency is carrying out the project and is the lead agency for the project.

- b) The project is located on or within an existing public right-of-way.
 - c) The project does not add physical infrastructure that increases new automobile capacity on existing rights-of-way except for minor modifications needed for the efficient and safe movement of transit vehicles, such as extended merging lanes.
 - d) The construction of the project does not require the demolition of affordable housing units, including rent-controlled units and units occupied by low-income tenants.
- 6) PRC 21080.25 requires a project exceeding \$100 million to also meet all of the following criteria:
- a) The project is incorporated in a regional transportation plan, sustainable communities strategy, general plan, or other plan that has undergone a programmatic-level environmental review within 10 years of the approval of the project.
 - b) Construction impacts are fully mitigated.
 - c) The lead agency completes and considers the results of a project business case, a racial equity analysis, and an analysis of residential displacement.
 - d) The lead agency holds specified public meetings.
- 7) PRC 21080.25 requires the lead agency to certify that the project will be completed by a skilled and trained workforce, as specified.

THIS BILL exempts 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 meets the following conditions:

- 1) The project primarily modernizes and expands 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 barriers, noise barriers, sound barriers, roadway crossing and access improvements, intermodal connections and facilities, transit-oriented development, and the interface with adjacent development.
- 2) The station passenger rail service will exclusively use Tier IV or cleaner rolling stock or locomotive engines.
- 3) 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.
- 4) The majority of the station project's footprint is in an existing public or publicly owned right-of-way.

- 5) The project complies with all applicable historic preservation measures, including Section 106 of the National Historic Preservation Act.
- 6) 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 compensated for.
- 7) The project is in compliance with the California Endangered Species Act, Chapter 6 of Division 2 of the Fish and Game Code, the Porter-Cologne Water Quality Control Act, and all applicable natural resource protection laws.
- 8) The project adopts a construction impact and mitigation plan, specifying mechanisms to reduce to below state and local requirements for construction-related impacts and communicate proactively and responsively with the community.
- 9) The project adopts a plan for 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.
- 10) The plan includes specific commitments to expanding tenant education resources and offering tenants subject to relocation by the project access to legal counsel.
- 11) The local land use authority adopts an affordable housing implementation plan that prioritizes the production of new affordable housing units, preservation of affordable homes, and protection of vulnerable residents from displacement to further plan for and address displacement. The plan may be citywide or for a specific area covering the project.

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

- 1) **Background.** This bill is intended to exempt the project to modernize and expand Diridon Station in San Jose from CEQA. The lead agency for the project, Caltrain, has hired a consultant to begin required environmental review, including CEQA and National Environmental Policy Act (NEPA), with an estimated completion in 2029. The preferred project alternative is estimated to cost \$3-6 billion and is likely to take many years to fully fund and construct, following completion of environmental review and approval by the relevant agencies.

Aspects of the station project and area have been reviewed under CEQA at the planning and project level in recent years. Specifically, the station was included in the Bay Area Rapid Transit (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. Regardless of the application of CEQA, the project will require a NEPA review because of the use of federal funds. It is estimated that the CEQA exemption would reduce the project review time by one year.

According to the City of San Jose:

Diridon Station, a key transit hub at the western edge of Downtown San Jose, will be expanded and redesigned to address the region's future transit needs. A collaboration among five public agencies – City of San Jose, 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.

On May 21, 2025, the Diridon Steering Committee – a representative body of the Partner Agencies – selected a preferred station alternative. This marked the conclusion of a two-year phase of work called the Business Case. The at-grade, preferred station alternative, will rebuild the station with the tracks at roughly the same elevation as they are today, and requires some streets surrounding the station to be regraded reconfigured to improve neighborhood connections, particularly for those on foot or bike.

Having selected a preferred alternative, the Partner Agencies began the next phase of work on the project: environmental review, which is expected to take approximately three to four years. The Partner Agencies selected an environmental consultant, ICF, to assist with this work. In parallel with this environmental review work, the Partner Agencies will continue to develop the funding strategy and implementation phasing for the project. They will also continue to develop the most suitable long-term organizational structure to deliver the project.

2) **Author's statement:**

SB 1375 establishes a targeted, criteria-based CEQA exemption tailored to the distinct realities of complex, multi-modal urban transit hubs. By recognizing the extensive environmental review, robust land-use planning, and years of deep, iterative community engagement already completed for these hubs, the bill responsibly saves time and public funds by eliminating redundant administrative delays for projects already thoroughly shaped by the public. Importantly, this measure maintains strict, legally binding compliance with all other state and federal environmental laws and regional permitting structures. Enabling the timely delivery of these critical transit centers will unlock profound regional and statewide benefits—accelerating a mode shift from automobiles, reducing greenhouse gas emissions, spurring transit-oriented housing, and creating thousands of high-quality jobs—without compromising essential statutory safeguards.

3) **Suggested amendments.** Because this bill is intended to provide an exemption for one project in the near future, *the author and the committee may wish to consider* adding a filing deadline of January 1, 2032, after which additional projects could not use this exemption.

In addition, *the author and the committee may wish to consider* adding a provision offered by the author to memorialize the project proponents' intention to follow the existing process for tribal consultation, notwithstanding the project's exemption from other provisions of CEQA.

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Council

City of San Jose

Diridon Station Steering Committee

Greenbelt Alliance

Metropolitan Transportation Commission

Peninsula Corridor Joint Powers Board (Caltrain)

San Francisco Bay Area Planning & Urban Research Association

San Jose Chamber of Commerce

San Jose Downtown Association

Santa Clara Valley Transportation Authority

Silicon Valley Bicycle Coalition

Opposition

None on file

Analysis Prepared by: Lawrence Lingbloom / NAT. RES. /