
UNFINISHED BUSINESS

Bill No: SB 1375

Author: Cortese (D), et al.

Amended: 8/6/26

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

SENATE FLOOR: 39-0, 5/19/26

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Niello

ASSEMBLY FLOOR: 73-0, 8/13/26 - See last page for vote

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

SOURCE: Author

DIGEST: This bill 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.

Assembly Amendments of 8/6/26 add a filing deadline of January 1, 2032, after which additional projects could not use this exemption, and specify that the agency provides notice to and consults with California Native American tribes that are traditionally and culturally affiliated with the project area, 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 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) Exempts from 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 the following conditions:
 - a) 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.
 - b) The station passenger rail service will exclusively use Tier 4 or cleaner rolling stock or locomotive engines.
 - c) The station is in an urbanized area and is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter or ozone.
 - d) The majority of the station project's footprint is in an existing publicly owned right-of-way or on public property.
 - e) The project complies with all applicable historic preservation measures, including Section 106 of the National Historic Preservation Act.
 - 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 compensated for.

- g) The project complies 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.
- h) The lead agency provides notice to and consults with California Native American tribes that are traditionally and culturally affiliated with the project area, as specified. Specifies that this tribal consultation does not need to include a consultation relating to the type of environmental review required.
- i) The project adopts and implements a construction impact and mitigation plan, specifying mechanisms to reduce construction-related impacts to below state and local requirements for and communicate proactively and responsively with the community.
- j) The project adopts a plan to fully address any displacement from the project consistent with federal and state relocation laws, including a plan to replace any lost housing units through new market-rate and affordable housing.
- k) The plan includes specific commitments to expanding tenant education resources and offering tenants subject to relocation by the project access to legal counsel.
- l) 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.
- m) The notice of exemption is filed, as specified, before January 1, 2032.

Background

- 1) *Transportation and climate change.* 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 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 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2025) 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.

- 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 3 to 4 years.

Comments

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

- 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 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 131 because it does not meet the siting requirements for that bill. 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.

The guardrails in SB 1375 address this and many of the other outstanding impacts of the project that would typically be evaluated and mitigated under CEQA. For example, SB 1375 requires that the project applicant 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

Negligible state costs.

SUPPORT: (Verified 8/14/26)

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 8/14/26)

None received

ASSEMBLY FLOOR: 73-0, 8/13/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Alvarez, Berman, Bonta, Flora, Petrie-Norris, Schultz

Prepared by: Brynn Cook / E.Q. / (916) 651-4108
8/14/26 17:04:35

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