

Date of Hearing: August 27, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 344 (Weber Pierson) – As Amended August 27, 2026

SENATE VOTE: 34-0 (not relevant)

SUBJECT: California Environmental Quality Act: City of San Diego: mixed-use development project

SUMMARY: Declares the City of San Diego's Midway Rising Specific Plan Subsequent Environmental Impact Report (SPSEIR), which is pending certification by the City, fully complies with the California Environmental Quality Act (CEQA).

EXISTING LAW:

- 1) 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) Requires the lead agency, when finding that measures are needed to mitigate or avoid a project's significant effects on the environment, to adopt a reporting or monitoring program for the changes made to the project or conditions of project approval. Requires the agency to provide that mitigation measures are fully enforceable through permit conditions, agreements, or other measures. (PRC 21181.6)
- 3) Authorizes judicial review of CEQA actions taken by public agencies, following the agency's decision to carry out or approve the project. Challenges alleging improper determination that a project may have a significant effect on the environment, or alleging an EIR does not comply with CEQA, must be filed in the superior court within 30 days of filing of the notice of approval. The courts are required to give CEQA actions preference over all other civil actions. (PRC 21167 *et seq.*)

THIS BILL:

- 1) Deems the Midway Rising SPSEIR is sufficient, adequate, and complete for full compliance with CEQA, and shall be final and conclusive for purposes of reliance on that report. Authorizes any approval of the project reviewed in the SPSEIR to rely on that report for compliance with CEQA.
- 2) Requires all SPSEIR mitigation measures to be conditions of approval of the project, fully enforcement by the lead and responsible agencies, and monitored and enforced for the life of each mitigation obligation. Requires the project applicant to submit annual status reports to the lead agency.
- 3) Requires the bill to become operative upon its effective date, or on the date the City certifies the SPSEIR, whichever occurs later.

- 4) Makes related findings regarding the Midway Rising project.
- 5) Is an urgency measure.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Background.** CEQA provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. If a project is not exempt from CEQA, an initial study is prepared to determine whether the project may have a significant effect on the environment. If the initial study shows that the project would not have a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that the project may have a significant effect, the lead agency must prepare an EIR.

Generally, an EIR must accurately describe the proposed project, identify and analyze each significant environmental impact expected to result from the proposed project, identify mitigation measures to reduce those impacts to the extent feasible, and evaluate a range of reasonable alternatives to the proposed project. Prior to approving any project that has received environmental review, an agency must make certain findings. If mitigation measures are required or incorporated into a project, the agency must adopt a reporting or monitoring program to ensure compliance with those measures.

To enforce compliance with CEQA, actions taken by public agencies can be challenged in superior court once the agency approves the project. CEQA appeals are subject to unusually short statutes of limitations. Under current law, CEQA lawsuits generally must be filed within 30 to 35 days, depending on the type of decision. The courts are required to give CEQA actions preference over all other civil actions. The petitioner must request a hearing within 90 days of filing the petition and, generally, briefing must be completed within 90 days of the request for hearing. Courts are required to commence hearings on CEQA appeals within one year of filing, to the extent feasible.

Midway Rising is a proposed development in the City of San Diego that covers 49 acres of City-owned land at the San Diego Sports Arena site in the Midway-Pacific Highway community (west of I-5 and south of I-8). The project is envisioned to include a 16,000-seat sports arena, 14 acres of parks and public space, a mixed-use entertainment, arts, and cultural district, and 4,250 housing units (2,000 of which will be affordable at 80% below area median income). The project is intended to replace an older stadium and associated parking lots.

This bill is intended to advance the Midway Rising project by shielding the City of San Diego from judicial review of its CEQA actions. The City's prior CEQA reviews in connection with the Midway Rising project have been subject to adverse court decisions, most recently by the Fourth District Court of Appeal in 2025.

The project is located within an area of San Diego that is subject to San Diego's Coastal Height Limit Overlay Zone, which was established by the voters in 1972 and generally limits

building heights to 30 feet west of I-5 to protect coastal views. In 2018, the City completed a program environmental impact report (PEIR) for the land use plans governing the area to enable development of the project. The project includes a 250-foot high-rise residential building, 105-foot mid-rise mixed-use buildings, and 165-foot arena.

The City submitted a ballot measure to voters in 2020 to raise the height limit for the project area, relying on the PEIR as the environmental analysis for the project. However, the Fourth District Court of Appeals invalidated that ballot measure because the PEIR did not consider potential environmental impacts of removing the height limit. While that appeal was pending, in 2022 the City prepared a supplemental environmental impact report (SEIR) and approved a second ballot measure to remove the height limit for the same area. In October 2025, the Fourth District invalidated the second ballot measure for similar reasons. The Court noted:

The 2022 draft SEIR recognized removal of the Coastal Zone height limit was a changed circumstance from the 2018 PEIR. Yet, for almost every category of potential environmental impacts the initial study addressed, it said the PEIR adequately examined potential impacts because the project “would be limited to the [Midway Rising] area footprint and land use, density, and zoning analyzed in the 2018 PEIR.”

The Court went on to identify a litany of impacts that could be related to building height that were not examined in the PEIR.

This building height issue is addressed by SB 958 (Weber Pierson), which passed this committee and the Assembly and is pending concurrence in the Senate. SB 958 provides that building height is not a significant impact on the environment under CEQA for specified non-industrial infill projects, including Midway Rising. However, on August 24, the City Council repealed the measure exempting the Midway Rising site from the 30-foot coastal height limit to comply with the 2025 court decision. Instead, the City intends to override the height limit for the entire project, including for the sports arena, pursuant to the state density bonus law.

Meanwhile, the City prepared a new EIR specifically for the Midway Rising project, which was approved by the city planning commission last September, prior to the October Court of Appeal decision. The project, including the EIR, is now scheduled for final approval by the City Council in November. This bill is not necessary for the City to certify the new EIR and approve the project. Rather, this bill is intended to shield the City, and the project, from litigation claiming that the new EIR does not comply with CEQA.

2) **Author’s statement:**

The Midway Rising project has the potential to transform an underutilized area into a destination where people can live, work, shop, dine and enjoy entertainment and community spaces. Midway Rising can bring quality and affordable housing, permanent jobs, new businesses, and new experiences, while generating economic activity and investment in the Midway District. At a time when San Diego is facing an affordable housing crisis, we need to think boldly about how we use the land and resources we have to meet the needs of a growing region.

The City of San Diego must still review and certify the project's EIR, demonstrating that the project's developers have thoughtfully planned to address the issues in the area. Once that process is completed, this project will have taken the necessary steps to move forward. This mixed-use project will deliver thousands of much-needed affordable housing units, vibrant park spaces, childcare partnerships with the YMCA, and a signed Memorandum of Understanding (MOU) with a hospital to provide on-site healthcare services for both future residents and workers at Midway Rising. SB 344 will provide a path for Midway Rising to move forward once the City of San Diego certifies its EIR.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Conference of Carpenters
California State Council of Laborers
Circulate Planning & Policy
City of San Diego
Mayor Todd Gloria, City of San Diego
State Building & Construction Trades Council of California

Opposition

8 individuals

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