

Date of Hearing: July 14, 2025

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

SB 675 (Padilla) – As Amended July 7, 2025

**SENATE VOTE:** 39-0

**SUBJECT:** California Environmental Quality Act: environmental leadership development projects: streamlining

**SUMMARY:** Provides permit review streamlining benefits to Waterfront Environmental Leadership Development Projects (WELDPs) within the Central Embarcadero Planning District of the San Diego Unified Port District within the County of San Diego.

**EXISTING LAW:**

Pursuant to the California Coastal Act of 1976 (Coastal Act):

- 1) Regulates development in the coastal zone and requires a new development to comply with specified requirements. (Public Resources Code (PRC) 30000)
- 2) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP). (PRC 30600)
- 3) Defines “development” to mean, among other things, the placement or erection of any solid material or structure on land or in water. “Structure” includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line. (PRC 30106)
- 4) Requires a port master plan (PMP) to be prepared and adopted by each port governing body, and for informational purposes, requires each city, county, or city and county which has a port within its jurisdiction to incorporate the certified PMP in its local coastal program (LCP). Requires a PMP to include: (1) The proposed uses of land and water areas, where known; (2) The projected design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body; (3) An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impact; (4) Proposed projects listed as appealable; and, (5) Provisions for adequate public hearings and public participation in port planning and development decisions. (PRC 30711)
- 5) Requires the California Coastal Commission (Commission), within 90 days after the submittal, and after a public hearing, to certify the PMP or portion of a plan and reject any portion of a plan which is not certified. (PRC 30714)

- 6) Authorizes a certified PMP to be amended by the port governing body, but prohibits an amendment from taking effect until it has been certified by the Commission. Requires any proposed amendment to be submitted to, and processed by, the Commission in the same manner as provided for submission and certification of a PMP (90-days). (PRC 30716 (a))
- 7) Authorizes, after certification of its local coastal plan (LCP), an action taken by a local government on a CDP application to be appealed to the Commission for only the following types of developments:
  - a) Developments approved by the local government between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance;
  - b) Developments approved by the local government not included within (a) that are located on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff;
  - c) Developments approved by the local government not included within paragraph (a) or (b) that are located in a sensitive coastal resource area;
  - d) Any development approved by a coastal county that is not designated as the principal permitted use under the zoning ordinance or approved zoning district map; or,
  - e) Any development which constitutes a major public works project or a major energy facility. (PRC 30603)

Pursuant to the California Environmental Quality Act (CEQA):

- 1) Requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.
- 2) Requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
- 3) Requires the Judicial Council to adopt a rule of court to establish procedures that require actions or proceedings brought to attack, review, set aside, void, or annul the certification of an EIR report for an environmental leadership development project (ELDP) certified by the Governor or the granting of any project approvals that require the actions or proceedings, including any potential appeals to the court of appeal or the Supreme Court, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court. (PRC 21185)

Pursuant to the Public Trust Doctrine:

- 1) Protects, pursuant to the common law doctrine of the public trust (Public Trust Doctrine), the public's right to use California's waterways for commerce, navigation, fishing, boating,

natural habitat protection, and other water oriented activities. The Public Trust Doctrine provides that filled and unfilled tide and submerged lands and the beds of lakes, streams, and other navigable waterways (public trust lands) are to be held in trust by the state for the benefit of the people of California. (National Audubon Society v. Superior Court (1983) 33 Cal.3d 419)

- 2) Establishes that State Lands Commission (SLC) as the steward and manager of the state's public trust lands. SLC has direct administrative control over the state's public trust lands and oversight authority over public trust lands granted by the Legislature to local public agencies (granted lands). (PRC 6009)
- 3) Authorizes SLC to enter into an exchange, with any person or any private or public entity, of filled or reclaimed tide and submerged lands or beds of navigable waterways, or interests in these lands, that are subject to the public trust for commerce, navigation, and fisheries, for other lands or interests in lands, if specified conditions are met. (PRC 6307)

Pursuant to Chapter 67 of the Statutes of 1962, First Extraordinary Session:

- 1) Establishes the San Diego Unified Port District (Port District) for the acquisition, construction, maintenance, operation, development, and regulation of harbor works and improvements for the harbor of San Diego and for the promotion of commerce, navigation, fisheries, and recreation.
- 2) Specifies the territory to be included in the Port District and grants and conveys in trust to the Port District all the right, title, and interest of the State of California acquired by the state pursuant to specified deeds. Requires the Port District to develop a master plan for harbor and port improvement, referred to as the Port Master Plan (separate from the PMP under the Coastal Act).
- 3) Authorizes SLC to consider whether the submission of the Port Master Plan, pursuant to Section 19, meets the requirements of, and therefore may be considered, a trust lands use plan for trust lands granted.

**THIS BILL:**

- 1) Defines the Port District as the lead agency.
- 2) Defines the following terms:
  - a) "Final action on the appeal" as approval, approval with conditions, or denial of a CDP under de novo review.
  - b) "Objective standard" as a verifiable external standard, knowable by the public that does not require subjective judgment.
  - c) "Waterfront Environmental Leadership Development Project" means a project to construct a mixed-use project on the waterfront that meets all of the following conditions:
    - i) Is certified by the Governor pursuant to this chapter as an environmental leadership development project;

- ii) Proposes to construct 1,000,000 or more square feet of new development on the waterfront;
  - iii) Enhances public access to the waterfront; and,
  - iv) Is located on more than 50 acres of land and water within the Central Embarcadero Planning District of the port within the County of San Diego.
- 3) Requires a WELDP to be eligible for streamlining as follows:
- a) As provided in PRC 21185; and,
  - b) Before the certification of an EIR for a WELDP, requires the Commission to review and process relevant technical reports, memoranda, plans, and submittals by a lead agency or applicant for a WELDP following certification by the Governor and before an application is submitted to the Commission, and provide specific and substantive comments or objections, if any, within 60 days of receiving those documents. Provides that Commission comments or objections on the submitted technical reports, memoranda, plans, and submittals not provided before certification of the EIR are deemed waived. The waiver shall not apply to any new information that arises after the Commission comment or objection period ends.
- 4) Requires, within 30 days after the certification of the EIR by the lead agency, the lead agency or applicant to file required application forms and materials for a PMP amendment with the Commission.
- 5) Requires, within 30 days of the submittal of a PMP amendment to the Commission for a WELDP, the Commission to provide a list of all technical reports, memoranda, plans, and submittals needed by the Commission to evaluate the consistency of the PMP amendment with the Coastal Act. Prohibits the Commission from requesting additional materials beyond those identified in the list unless significant changes are made to the PMP amendment or the WELDP after the materials are submitted.
- 6) Requires the PMP amendment to include, but not be limited to, clear objective standards for building heights, setbacks, step-backs, view corridors, lower cost overnight accommodations and mitigation, and mitigation ratios for project-specific impacts to marine and coastal habitats.
- 7) Requires, notwithstanding any other law that imposes a timeframe on the Commission to approve, disapprove, or conditionally approve a project, the Commission to make a final determination on a PMP amendment for a WELDP within 90 days of the date the Commission receives the materials on the list of all technical reports, memoranda, plans, and submittals.
- 8) Requires, if the Commission finds that an appeal of a CDP for a WELDP raises a substantial issue pursuant to the Coastal Act, the Commission to take final action on the appeal within 180 days. Prohibits, if a WELDP is consistent with the objective standards in the certified PMP, as amended, those issues from being grounds for a finding of substantial issue.

- 9) Prohibits the Commission from constructively denying a WELDP by imposing conditions as part of a conditional approval of a CDP under de novo review that are not objectively necessary to assure consistency with the certified PMP and that serve to render the project, that is the subject of the permit application, practically infeasible.
- 10) Authorizes the Commission to charge a fee to an applicant for the reasonable costs incurred for processing documents for review or the application of the WELDP. Requires the fee or rate to be set forth in a written agreement with the applicant that may be amended from time to time.
- 11) Finds and declare that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique needs related to the urban waterfront in the County of San Diego.
- 12) Provides that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, this bill will result in limited-term costs likely in the hundreds of thousands of dollars each year for several years (General Fund) for the Commission to implement the provisions of this bill. In addition, there could be unknown, potentially intermittent costs for the Commission associated with possible appeals of individual CDPs for certain projects, which would need to be acted on within a specified timeframe. Some of these costs may be partially offset by applicant fees. Additionally, there could be unknown, potentially significant costs (General Fund) for the State Lands Commission related to the implementation of the provisions of this bill.

**COMMENTS:**

1) **Author's statement:**

California can and must continue to aggressively address climate change, protect resources and defend equitable access to our coast, waterways and bays. At the same time we face a housing and economic recovery challenge that demands we support housing and the creation sustainable jobs. This means we must fairly consider and support projects that are both environmentally exceptional, sustainable and job-creating.

The comprehensive redevelopment of Seaport Village on the San Diego waterfront is such a project with the potential to address many of the longstanding issues of the area while generating thousands of high-wage construction jobs and permanent employment opportunities. However, without procedural efficiency, critical projects like this one risk dying on the vine. SB 675 will assure this project receives timely and fair consideration to move forward as a potentially transformative development, promote transparency, reduce duplicative work, and gives its applicants clarity and predictability.

- 2) **Coastal Act.** The Commission administers the Coastal Act and regulates proposed development along the coast and in nearby areas. Generally, any development activity in the coastal zone requires a CDP from the Commission or local government with a certified LCP. Eighty-eight percent of the coastal zone is currently governed by LCPs drafted by cities and

counties, and certified by the Commission. In these certified jurisdictions, local governments issue CDP detailed planning and design standards. There are 14 jurisdictions (out of 76 coastal cities and counties) without LCPs – also known as “uncertified” jurisdictions – where the Commission is still the permitting authority for CDPs.

- 3) **ELDP.** Initially created by AB 900 (Buchanan), Chapter 354, Statutes of 2011, for job-creating projects during the Great Recession, the ELDP law authorizes the governor to certify certain qualifying projects for CEQA benefits, including housing projects. Once certified, a project receives reduced time for the resolution of trial and appellate court CEQA lawsuits, from approximately three years to 270 days. Projects initially included professional sports venues as well as a few office/mixed-use projects that typically operated under significant time constraints (e.g., deadlines established by professional sports associations); projects that occurred in "infill" locations within regions with substantial union workforces; and, projects that were aimed at higher-income tenants and guests. The original ELDP program excluded residential uses. SB 7 (Atkins), Chapter 9, Statutes of 2021, the Jobs and Economic Improvement Through Environmental Leadership Act of 2021, extended the expiration date the EDLP certification program under AB 900 to January 1, 2024, and expanded the law to also include a broad mix of uses, such as residential, retail, commercial, sports, cultural, entertainment and recreational uses (including mixes of these uses). Qualifying projects must result in an investment of at least \$100 million in California upon completion of construction.

SB 7 allows much smaller residential and mixed-use projects resulting in an investment of \$15 million to \$100 million to participate in ELDP, provided that these projects include at least 15% low-income housing, preclude short-term rentals, include at least two-thirds residential use, exclude manufacturing and industrial mixed uses, and provide "unbundled" parking for market-rate housing. Qualified projects also have to reduce greenhouse gas emissions.

The current ELDP process does not distinguish between coastal and inland projects. The intent of the ELDP certification process was to spur economic development and living-wage job creation by reducing CEQA litigation timelines, while keeping the CEQA review and entitlement process intact.

This bill creates a new category of projects – Waterfront Environmental Leadership Development Projects – and ties the certification of these projects as ELDPs in the coastal zone in San Diego to customized review by the Commission.

- 4) **Seaport Village.** While the bill is drafted to apply to prospective projects in the Central Embarcadero Planning District of the Port District that meet specified criteria, this committee is aware of only project that would be covered: Seaport Village redevelopment project (project).

Seaport Village is currently a 14 acre waterfront shopping, dining, and entertainment complex that opened in 1980. It includes 54 shops, 13 casual dining eateries, four fine dining waterfront restaurants, and is located in close proximity to local hotels. According to representatives of 1HWY1, the developer of the redevelopment project, the project would be located on Port of San Diego tidelands along the downtown San Diego waterfront. The project site as proposed is comprised of approximately 75 acres of land and water areas, consisting of approximately 39 acres of land area and 36 acres of water area in the Port

District. The project currently consists of commercial fish processing, retail, restaurant, recreation and park uses, as well as open water areas, piers, marinas, and floating docks within San Diego Bay. The project proposes to demolish approximately 125,000 square feet (SF) of existing land-side development and redevelop the Project Site with approximately 2.7 million SF of mixed-use development.

The project's land-side developments would include a mix of hotel, retail, restaurant, health and wellness, blue/marine technology offices, environmental education, entertainment, signature attractions and recreational/open space uses, such as walkways, piers, marinas, plazas, parks, and a public urban beach. The water-side developments of the project would involve construction of approximately 561,400 SF of floating docks and fixed piers to support a variety of vessels, water taxis, and fishing boats within San Diego Bay.

- 5) **Public Trusted Lands.** The foundational principle of the common law Public Trust Doctrine is that it is an affirmative duty of the state to protect the people's common heritage in navigable waters for their common use. Initial Public Trust uses were limited to commerce, navigation and fishing, but in recent decades the Doctrine has expanded to include water-oriented recreation, retention as open space and habitat protection for wildlife and plant preservation, and for scientific study and visitor-serving amenities. The courts have also found that preservation of these lands in their natural state, so that they may serve as ecological units for scientific study, as open space, and as environments that provide food and habitat for birds and marine life, are appropriate uses under the common law Public Trust Doctrine. Courts have also made clear that sovereign lands subject to the Public Trust Doctrine cannot be sold into private ownership. More difficult issues arise with commercial and retail establishments, which must primarily serve visitors to the waterfront rather than local residents, and with recreational venues, which must have a connection to the water that enhances the public's use and enjoyment of the water or waterfront.

For more than 100 years, the Legislature has granted public trust lands to local governments so the lands can be managed locally for the benefit of the people of California. There are more than 70 local trustees in the state, including the ports of Los Angeles, Long Beach, San Diego, San Francisco, Oakland, Richmond, Benicia, and Eureka. While these trust lands are managed locally, SLC has oversight authority to ensure those local trustees are complying with the Public Trust Doctrine and the applicable granting statutes.

- 6) **Port District.** In 1962, the Legislature created the Port District and granted certain filled and unfilled tidelands and submerged lands within San Diego Bay to the Port District to hold in trust subject to the terms of the granting statute and the Public Trust Doctrine. Generally, the lands granted include filled and unfilled tide and submerged lands from the ordinary high water mark to the pier head line, with the remaining portions of San Diego Bay under the SLC's direct leasing authority. The cities of San Diego, Chula Vista, Coronado, National City, and Imperial Beach were required to convey to the Port District all the right, title, and interest in, and to, the tidelands and submerged lands in these cities, with certain exceptions.

The Seaport Village project is located on filled tidelands, but some of it will be in the water as well. At the developer's request, SLC provided a preliminary Trust Consistency Review. That January 2022 review, which is not a guarantee or declaration of trust consistency, but rather a tool to help the Port District determine whether and how the Project complies with the Public Trust Doctrine, notes that the uses allowed under the Port District's grant are

expansive and so the limitations of the grant are considered coextensive with the limits of the Public Trust Doctrine.

- 7) **Development appeals.** The Coastal Act allows an action taken by a local government on a CDP application to be appealed to the Commission, on the grounds the action is inconsistent with the LCP or public access laws on certain types of development, including those in designated areas between the sea and the first public road; developments located on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff; developments located in a sensitive coastal resource area; and/or, major public works project or a major energy facility.

Under this bill, the Commission will have 180-days to take final action on an appeal to the CDP for WELDP. Under current law, an appeal must be filed with the Commission within 10 days of local approval. The Commission has 49 days from the day an appeal is filed to determine whether or not an appeal raises a substantial issue under the PMP. If it doesn't, the appeal is rejected and the local approval stands. If the Commission determines that the appeal raises a substantial issue in terms of its conformance with the PMP, the Commission works with the applicant to address the issues and brings it to a de novo hearing when an agreement is reached with an applicant on how to resolve the issue. At the de novo hearing, the certified PMP is the standard of review. The Commission cannot impose any conditions when it certifies a PMP (PRC 30714), and the Commission can only impose conditions to ensure a project is consistent with the Port's PMP (which the Commission cannot modify).

- 8) **CEQA.** The bill requires the Commission, before the certification of an EIR for a WELDP and after the Governor certifies the project as an ELDP, to review and process relevant technical reports, memoranda, plans, and submittals by the applicant and provide specific and substantive comments or objections within 60-days. Any new comments or objections on the submitted documents not provided before certification of the EIR are waived from consideration.

The bill does not specify how the Commission's 60-day document review tracks with EIR timelines. The author explains the Commission review can overlap, but does not need to precede initiation of the EIR process. Because the Commission has no role under CEQA, it is imperative that this bill does not create any unintended confusion as it relates to the CEQA process.

- 9) **Tightening the Commission's timeframes for review.** There are numerous bills currently being considered by this Legislature to reduce the Commission's timeframes for reviewing documents under their purview, including CDPs, LCPs, PMPs, long range development plans, amendments to all of the aforementioned planning documents, and appeals. Reviewed individually, the Legislature may determine the proposed abbreviated timeframe(s) for approval or denial is appropriate and/or achievable, but these bills should not be considered in a vacuum. Commission staff that review these documents are responsible for assessing the thoroughness of the applications and the consistency with the Coastal Act before taking action. To reduce the various timeframes concurrently would logjam Commission staff and stymie their ability to thoroughly review these lengthy applications and appeals.



- 10) **Special rules for one project.** While this bill tailors special rules for a single project, it would set a statutory precedent for other ELDPs proposed in the coastal zone, or for any large project in the coastal zone seeking special statutory carve-outs for permit review.
- 11) **Is this bill needed?** If the developer complies with the Coastal Act, arguably there is no need for this legislation. No objective problem has been identified that needs to be resolved other than the author's concerns with the subjectivity of the Coastal Act (which applies to *all* CDP applicants) and the developer's desire for definitive timelines. For example, the Coastal Act protects coastal access (among many other things), which is inherently subjective when one entity's goal is to protect it and another entity's objective is to make money from developing around it.

Projects of significant size have been approved in the coastal zone by the Commission under existing statutory and regulatory timeframes, including Spanish Bay at Pebble Beach (resort and golf course) adjacent to Asilomar State Beach in Monterey County. As a result of the Commission's review, the project included critical restoration of native plant communities and critical protections for native dunes habitat.

AB 1023 (Gipson) was introduced this year to give the Los Angeles Harbor Department the sole authority to review and issue a CDP permit for a port project at the Los Angeles Port. The Los Angeles Port and the Commission ultimately identified a more efficient and productive path forward administratively, obviating the need for the author to advance legislation.

A memorandum of understanding (MOU) between the Commission and Seaport Village developer to establish agreed upon objective standards and review timelines is a much more appropriate approach than legislating special rules for a single project.

- 12) **Committee amendments.** The committee may wish to consider adopting clarifying amendments to the bill that require the Commission and the developer of the Seaport Village to enter an MOU to effectuate agreed upon terms for Coastal Act compliance and timelines for Commission review.

13) **Related legislation:**

- a) AB 357 (Alvarez) requires, within 90 days of submittal of a complete application for a CDP for a student housing project or a faculty and staff housing project the Commission to approve or deny the application. This bill is referred to the Senate Natural Resources and Water Committee.
- b) AB 1023 (Gipson) would have required a CDP associated with the Zero Emissions Port Electrification and Operations project, to be considered to be within the boundaries of the Los Angeles Harbor District, and would provide the Los Angeles Harbor Department the sole authority to review the permit application and issue an associated CDP on behalf of all jurisdictions ordinarily required to review the application. This bill is a two-year bill.
- c) SB 484 (Laird) requires the Commission, in consultation with the Department of Housing and Community Development, by July 1, 2027, to identify infill areas within at least three local jurisdictions that do not have a certified LCP for a categorical exclusion from

the CDP requirement. This bill is referred to the Senate Housing and Community Development and Natural Resources and Water Committees.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

1HWY1, LLC  
City of San Diego  
Downtown San Diego Partnership  
San Diego County Board of Supervisors, District 3 - Terra Lawson-Remer  
San Diego County Building and Construction Trades Council  
San Diego Regional Chamber of Commerce  
San Diego Regional Economic Development Corporation  
San Diego Unified School District  
Unite Here International Union, AFL-CIO

**Opposition**

Embarcadero Coalition of San Diego

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /