
UNFINISHED BUSINESS

Bill No: SB 71
Author: Wiener (D), et al.
Amended: 9/2/25 in Assembly
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 3/19/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla,
Pérez

SENATE TRANSPORTATION COMMITTEE: 12-0, 4/8/25
AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle,
Gonzalez, Grayson, Menjivar, Richardson, Umberg
NO VOTE RECORDED: Limón, Seyarto, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto, Dahle

SENATE FLOOR: 36-0, 6/3/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear,
Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez,
Grayson, Grove, Hurtado, Laird, McGuire, McNerney, Menjivar, Ochoa Bogh,
Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern,
Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Jones, Limón, Niello, Reyes

ASSEMBLY FLOOR: 56-1, 9/9/25 – Roll call not available

SUBJECT: California Environmental Quality Act: exemptions: transit projects

SOURCE: Author

DIGEST: This bill expands and extends existing California Environmental Quality Act (CEQA) exemptions for transit projects, and exempts Diesel-powered

heavy rail projects meeting the "Tier 4" exhaust emissions standard if certain criteria are met, among other changes.

Assembly Amendments: Add a sunset of January 1, 2040 to the CEQA exemption “clean transportation” projects; removes a one year extension to Environmental Leadership Transit program; specifies that Tier 4 engines are only eligible for this CEQA exemption if they are not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone; specifically exempts projects that combine an exempted clean transportation project with a housing project that is exempt or ministerial.

ANALYSIS:

Existing law:

- 1) Under the California Environmental Quality Act (CEQA), 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) CEQA, until January 1, 2030, exempts from its requirements active transportation plans, pedestrian plans, or bicycle transportation plans for the restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and the related signage for bicycles, pedestrians, and vehicles. (PRC § 21080.20)
- 3) CEQA, until January 1, 2030, exempts certain transportation-related projects, including pedestrian and bicycle facilities, transit prioritization projects, public projects for the institution or increase of bus rapid transit, bus, or light rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, and public projects for the construction or maintenance of infrastructure of facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries, as provided. CEQA requires, except as provided, those exempted projects to be carried out by a local agency

and meet certain requirements, including certain labor requirements (PRC § 21080.25).

- a) Requires that these exemptions, not including a project to reduce minimum parking requirements, meet the following criteria:
 - i) Be carried out by a public agency and the public agency is the lead agency.
 - ii) Be located in an urbanized area.
 - iii) Be located on or within an existing public right-of-way.
 - iv) Does not add physical infrastructure that increases new automobile capacity on existing rights-of-way, except as provided.
 - v) Does not require demolition of affordable housing units.
 - vi) Has a certification from the lead agency that the project will be completed by a skilled and trained workforce, except as provided.
- b) Requires that projects using this exemption and that exceed \$100 million also meet the following criteria (PRC § 21080.25):
 - i) Be 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.
 - ii) Fully mitigate construction impacts consistent with applicable law.
 - iii) Require the lead agency to complete and consider results of a project business case and a racial equity analysis, as specified.
 - iv) Require lead agency to hold noticed public hearings, as prescribed.
- c) Requires that projects using this exemption and that exceed \$50 million also meet prescribed public notice and hearing requirements (PRC § 21080.25).
- 4) Establishes the Environmental Leadership Transit Development Program
Defines an ELTP as a project to construct a fixed guideway and related fixed facilities that meets all of the following (PRC § 21168.6.9)

This bill:

- 1) Removes the existing 2030 sunset from the exemption for active transportation, pedestrian, and bicycle plans, and adds new, permanent exemptions for transit comprehensive operational analyses and transit route changes.

- 2) Extends the existing 2030 sunset to 2040 for exemptions for "clean" transit projects and adds new exemptions for:
 - a) Microtransit, paratransit, shuttle, and ferry projects. Provides that the application of this exemption to non-zero-emission vehicles, except for articulated buses, expires January 1, 2032.
 - b) 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.
 - c) A project that combines an exempt transit project and a housing development project that is either subject to a nondiscretionary approval or is exempt from CEQA.
- 3) Removes requirements that transit agencies undertaking charging/refueling projects comply with specified ARB rules.
- 4) Adjusts the way in which a project's cost is assessed to determine if it costs more than \$50 million or \$100 million, which triggers certain requirements including holding public hearings. Specifically, this bill would require that the \$50 million and \$100 million threshold is based on the project engineer's cost estimate, and require that these cost thresholds should be adjusted to the California Consumer Price Index (CPI).
- 5) Remove specific elements to be contained in the required project business case for projects costing more than \$100 million.

Background

- 1) *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 a negative

declaration (ND) or mitigated negative declaration (MND). If the initial study finds that the project has potential significant effects on the environment, then a full EIR is conducted. An EIR provides thorough environmental review of a proposed project, analyzing the significant direct and indirect environmental impacts of a proposed project. The EIR also includes proposed mitigation measures for any significant effects that it identifies and considers alternatives to the proposed project.

- 2) *CEQA exemptions*. A project is exempt from CEQA if it is ministerial (i.e., it does not involve discretionary decisions), or if there is a specific statutory or categorical exemption that applies to the project. Statutory exemptions are created by the Legislature and typically apply even if a project has the potential to significantly affect the environment. In contrast, categorical exemptions, which are listed in the CEQA guidelines, generally do not apply if there are significant environmental impacts associated with the project, including 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.
- 3) *Transportation Exemptions in CEQA*. The majority of transportation projects are exempt from CEQA. In October 2017, this committee conducted a survey of state agencies regarding CEQA to gain a better understanding of CEQA compliance and litigation. The survey covered a period of five years, Fiscal Years 2011/12 to 2015/16. The Department of Transportation (DOT) reported a total of 3,259 projects during the five-year period, and almost 90% of these projects were exempt from CEQA.

Since this survey was conducted, two Senate bills (SB 288, Wiener Chapter 200, Statutes of 202, and SB 922 Wiener, Chapter 987, Statutes of 2022) further expanded CEQA exemptions for certain clean and active transportation projects. Under the provision of these two bills, and another bill signed into law last year (AB 2503, Lee), the following transportation projects are exempt from CEQA until January 1, 2030:

- Pedestrian and bicycle facilities, including new facilities.
- Projects that improve customer information and wayfinding for transit riders, bicyclists, or pedestrians.
- Transit prioritization projects.

- Projects for the designation and conversion of general purpose lanes or highway shoulders to bus-only lanes.
- A public project for the institution or increase of new bus rapid transit (BRT), bus, or light rail service, including the construction of stations, as specified.
- A public project to construct or increase passenger rail service used for zero-emission trains.
- A public project to construct or maintain infrastructure to charge or refuel zero-emission transit buses, trains, or ferries, as specified.
- The maintenance, repair, relocation, replacement, or removal of any utility infrastructure associated with one of these projects.
- A project carried out by a city or county to reduce minimum parking requirements.

Many of these exemptions are broad –to provide a backstop to ensure that only active and clean transportation projects are eligible for this CEQA exemption, the exemption also includes a guardrail that specifies projects are not eligible for this CEQA exemption if they induce single-occupancy vehicle trips, add additional highway lanes, or widen highways.

Comments

- 1) *Purpose of this bill.* According to the author, “Public Transportation is critical to California’s future. Streamlining climate-friendly sustainable transportation projects that improve public transportation and make our streets safer for pedestrians, bicyclists, and other vulnerable road users helps the state better deliver on its climate, housing, and social mobility goals. SB 71 makes a critical CEQA exemption - with environmental and other guardrails - for such projects that was first enacted with great success 5 years ago permanent, while slightly expanding and cleaning up the law. At a time when public transportation systems in California and across the nation face acute funding pressures and federal uncertainty, it is critical to enact this reform so that public transportation agencies and local agencies can continue to control capital costs and deliver projects without delay and associated cost increases from the bad-faith abuse of environmental laws. SB 71 will ensure that projects that help the state meet its climate goals, facilitate dense urban infill development, improve access to opportunity and mobility, and support high-quality construction jobs continue, and deliver on the promise of infrastructure investment.”

- 2) *“Environmental” projects can still have environmental impacts.* Bike lanes, buses, zero emission trains and other “clean transportation” projects can reduce greenhouse gas and local air pollution emissions if they replace gas-powered vehicles. These types of projects can also improve quality of life in communities by increasing mobility options. However, even projects that have environmental and social benefits can come with environmental impacts. SB 71 includes a large suite of transportation projects, including projects that are likely to have small impacts if any (like adding lighting to bus stops), and projects that are likely to have significant environmental impacts, like infrastructure for hydrogen rail or ferry terminals. Under CEQA, impacts associated with those projects would have to be studied, and mitigated as feasible. Providing a CEQA exemption for these projects means that those impacts may go undisclosed to the communities they are located in, and any harmful impacts would go unmitigated.
- 3) *What is the track record for the SB 288/SB 922 exemption?* Before removing the sunset on the CEQA exemptions in SB 288/SB 922, it is worth knowing if the exemption (1) has been useful in deploying projects (2) has resulted in environmental costs and/or benefits.

According to CEQAnet, the state’s database of filed CEQA documents, approximately 10 projects have used the PRC 21080.20 exemption, and over 100 projects have filed a notice of exemption for transportation projects under PRC Section 21080.25. In terms of speeding along deployment of clean and active transportation projects, the exemption has been a resounding success.

What have been the environmental effects of these projects? The benefits and impacts of these projects are varied as the projects themselves, and the potential for big impacts may scale with the potential for big benefits. Many of the projects that have applied for exemption, as provided on CEQAnet, include bike lanes, bus stops, pedestrian paths and other relatively small projects that are likely to have few harmful environmental impacts as they improve active transportation and ideally, reduce reliance on gas-powered single-occupancy vehicles that generate air and greenhouse gas emissions. However, the exemption also includes a number of large projects that are likely to have significant impacts on the environment, such as Metro’s Next Gen Bus Plan, which will implement “The design and construction of new bus-only lanes and other transit priority improvements along up to 80 lane miles on the highest frequency corridors in the city of Los Angeles.”¹ Another example of a

¹ <https://ceqanet.opr.ca.gov/202104034>

potentially high-impact project was one in which a building was demolished in order to more easily stage the building of additional bus bays and a metro deboarding platform in San Diego. The notice of exemption for this project noted that the building to be demolished “contains asbestos and lead”.

According to minutes of the meeting of the San Diego Metropolitan Transit System Board of Directors where the work order for the project was authorized and which determined that the project was CEQA exempt, the space where the building was demolished was to be “converted to employee parking”. These projects are likely to increase bus and metro ridership, but it is also possible that they could have other, less desirable impacts. As SB 71 extends the sunset for clean transportation projects for the next 14 years (until January 1, 2040), it is worth considering how the Legislature will determine whether the exemption is resulting in unintended consequences.

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

According to the Assembly Appropriations Committee: “The Bay Conservation and Development Commission (BCDC) estimates ongoing annual General Fund costs of approximately \$191,000 (General Fund) to hire one coastal planning analyst. BCDC notes there is substantial overlap between the natural resource impacts evaluated in a CEQA document (such as an EIR) and the impacts to San Francisco Bay resources BCDC must evaluate as part of its permitting process under the McAteer-Petris Act and the Bay Plan, such as impacts from construction activities on special status species, impacts from development on tidal marsh or subtidal habitat, or impacts to hydrology. Accordingly, BCDC relies on CEQA documentation to identify a project's environmental impacts as well as mitigation measures, which subsequently inform BCDC's permit conditions. By exempting ferry terminal projects from CEQA, BCDC contends it will need to separately evaluate project impacts and environmental studies provided by applicants, which will be resource-intensive. Similarly, the Bay Plan requires BCDC to coordinate and rely on other expert agencies (like the State Water Resources Control Board and the Department of Fish and Wildlife) and incorporate their evaluations of a project into BCDC's analyses. These agencies typically rely on CEQA documentation when making their determinations. Therefore, it is possible other state regulatory agencies may similarly incur costs as a result of this bill.”

“The Office of Land Use and Climate Innovation (LCI) estimates annual General Fund costs of \$219,000 for two years to hire one air pollution specialist to develop technical assistance and implementation guidance and respond to inquiries from lead agencies. LCI develops technical advisories on CEQA, including statutes that provide exemptions from CEQA. LCI developed the sustainable transportation

technical advisory that provides guidance for Public Resources Code section 21080.25 (which this bill amends) in 2021. Since the development of this advisory, the code has been amended twice, with this bill being the third. LCI contends the limited-term position is needed to update the advisory and provide updated guidance for implementation. While this may be the case, it is not clear to this committee that LCI's cost estimate should be attributed to this bill alone.”

SUPPORT: (Verified 9/9/25)

350 Bay Area Action

AARP

Accelerate Neighborhood Climate Action

All Voting Members of the North Westwood Neighborhood Council

Association of California Cities - Orange County

Bay Area Council

Bike East Bay

California Bicycle Coalition

California Business Properties Association

California Downtown Association

California Electric Transportation Coalition

California Hydrogen Business Council

California Transit Association

City and County of San Francisco

City of Goleta

City of Santa Monica

City/county Association of Governments of San Mateo County

East Bay Yimby

Greenbelt Alliance

Grow the Richmond

Kidsafe Sf

LA Metro

Los Angeles County Metropolitan Transportation Authority

Metropolitan Transportation Commission

Monterey-salinas Transit

Mountain View Yimby

Move LA

Napa-solano for Everyone

Northern Neighbors

Orange County Transportation Authority

Peninsula Corridor Joint Powers Board

Peninsula for Everyone

Redlands Yimby

Sacramento Regional Transit District
San Francisco Bay Ferry
San Francisco Bicycle Coalition
San Francisco Chamber of Commerce
San Francisco Municipal Transportation Agency
San Mateo County Transit District
San Mateo County Transportation Authority
Santa Cruz Yimby
Santa Rosa Yimby
Seamless Bay Area
Sf Yimby
South Bay Yimby
Spur
Stanislaus Regional Transit Authority
Streets for All
Sunline Transit Agency
Ventura County Yimby
Walk San Francisco Foundation
Yimby Action
Yimby LA
Yimby Slo

OPPOSITION: (Verified 9/9/25)

None received

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