

New Exemptions, Streamlined Review of Certain Non-Exempt Projects Among Recent Changes to CEQA

08.20.2025

The Legislature has further amended CEQA by adding a number of exemptions, streamlining environmental review for projects that are close to qualifying for an exemption, streamlining litigation administrative record contents, and making lead agency exemption determinations final and conclusive unless timely challenged in court. **SB 131**, adopted in conjunction with the annual budget, took immediate effect upon the Governor's approval on June 30, 2025. While much of the focus of the bill is on housing development projects, the amendments also address infrastructure, transit, and advanced manufacturing projects.

SB 131 adds new statutory CEQA exemptions for the following types of projects:

- ▶ Rezones that implement the schedule of actions contained in an approved housing element unless the rezone is for a distribution center or oil or gas infrastructure, or will occur within natural or protected lands unless those lands are excluded from the rezoning;
- ▶ Certain agricultural employee housing projects;
- ▶ Certain community water system projects. This exemption sunsets on January 1, 2030;
- ▶ Certain wildfire risk reduction projects;
- ▶ Updates to the State's climate adaptation strategy;
- ▶ Certain public park and nonmotorized recreational trail facility projects;
- ▶ Day care centers not located in a residential area, unless located on natural or protected lands;
- ▶ Rural health clinics or federally qualified health centers less than 50,000 square feet in total space, unless located on natural or protected lands;
- ▶ Nonprofit food banks or food pantries located on a site zoned exclusively for industrial uses, unless located on natural or protected lands; and

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- ▶ Certain projects related to electrically-powered high-speed rail.

SB 131 also creates a new statutory exemption for industrial projects, specifically projects that consist exclusively of a facility for advanced manufacturing located on a site zoned exclusively for industrial use, unless the project is located on natural or protected lands.

SB 131 creates a new streamlined environmental review process for housing development projects that fail to qualify for a statutory exemption or certain categorical exemptions based on a single condition in the exemption. If a housing development project would otherwise be exempt but for a single condition in the exemption, CEQA review now is limited to the effects on the environment caused solely by that single condition. Included in the amendments to create the "single condition" streamlined process, is an amendment to existing law that makes lead agency exemption determinations final and conclusive, unless timely challenged in court.

SB 131 limits the scope of the administrative record for most CEQA challenges. Now, unless the project at issue includes a distribution center or oil and gas infrastructure, the administrative record does not include electronic internal agency communications, such as e-mails, that were not presented to the final decisionmaking body or reviewed by the lead agency personnel reviewing the project. Lead agencies may produce these records if they would like, but are no longer required to do so.

If you have any questions about SB 131, please contact **Taylor Foland, David Snow**, or any other attorney in our **Public Law Department**.