



SB 131 DEMYSTIFIED: WHAT CALIFORNIA'S 2025 CEQA REFORM MEANS FOR COMMUNITY AND INFRASTRUCTURE PROJECTS

By William Halligan, Esq. / September 22, 2025

Senate Bill 131 (SB 131) is an expansive trailer bill that enacts several CEQA modifications, aimed at facilitating community-serving projects and refining the scope of environmental review. SB 131's provisions address infrastructure such as child-care facilities, health clinics, water systems, and parks, and introduce new rules for how CEQA applies to certain housing projects that almost qualify for exemptions. This section highlights the most pertinent changes for public agencies.

Community-Serving Projects Exempt from CEQA

SB 131 creates new statutory CEQA exemptions for certain community facilities and other beneficial projects, recognizing that these developments provide broad public benefits with minimal environmental harm. The law lists specific project types that are now exempt by statute (as long as they are not on environmentally sensitive sites):

- **Child Care Centers:** Projects consisting exclusively of a day care center (childcare facility) are exempt from CEQA, provided the site is not in a strictly residential zone. This should ease the approval of new child-care or preschool facilities (which are often located in commercial or mixed-use areas) by removing CEQA documentation costs.
- **Small Health Clinics:** Projects for health care clinics – specifically federally qualified health centers or rural health clinics – under 50,000 square feet are exempt. These community clinics, which provide essential medical services (often in underserved areas), can now be established or expanded without CEQA, as long as they remain below the size threshold.
- **Nonprofit Food Banks/Pantries:** A project to build or expand a nonprofit food bank or food pantry facility is exempt, if it is located on a site zoned industrial. Many food banks require warehouse-style spaces; with this exemption, a qualifying food distribution warehouse serving the community won't trigger CEQA so long as it's in an appropriate industrial area.
- **Advanced Manufacturing Facilities:** Projects for facilities engaged in advanced manufacturing (as defined in state code) are exempt when on land zoned exclusively for industrial uses. "Advanced manufacturing" can

include high-tech and clean-tech production—from electric vehicle components to biotech or semiconductor facilities. By limiting the exemption to industrially zoned sites, the law ensures these potentially job-creating projects occur in proper zones, while still bypassing CEQA reviews.

- **Farmworker Housing:** New agricultural employee housing projects, as well as projects consisting exclusively of repair or maintenance of existing farmworker housing, are now exempt from CEQA. This exemption provides relief for rural communities and agricultural operations seeking to build or improve housing for farm laborers. Notably, agricultural employee housing is often already subject to special permitting processes; this law removes the additional CEQA layer, streamlining the creation of safe, affordable dwellings for farm workers (an urgent need in California’s farm regions).

Importantly, none of the above exemptions apply if the proposed project site is on “natural or protected lands,” as defined in CEQA. In other words, if a project would be built on protected open space, wetlands, habitat conservation land, or similar sensitive areas, the exemption is off the table. This caveat maintains environmental safeguards even as the state fast-tracks community-oriented development. Public agencies can thus confidently apply these exemptions to eligible projects, knowing that truly sensitive sites are excluded by definition.

These new statutory exemptions should be welcome news for cities, counties, and special districts. For example, a city planning to construct a new childcare center or a county looking to approve a nonprofit’s food bank facility can do so more quickly and with lower costs. Removing CEQA from the equation for these small projects saves staff time and avoids the risk of lawsuits delaying a much-needed public service. It’s a targeted approach – focusing on projects with clear social benefits and presumably minimal environmental footprint – consistent with the Legislature’s intent to remove unnecessary hurdles to community improvements. Similarly, rural counties can expedite farmworker housing or health clinics knowing they won’t face CEQA litigation on those fronts. (Agencies should still document that the project meets the criteria and is not on a sensitive site, as the lead agency remains responsible for determining the exemption’s applicability.)

Streamlined CEQA for Water, Parks, and Climate Resilience Projects

Beyond community facilities, SB 131 extends and expands various CEQA exemptions for infrastructure and environmental resilience projects. Public agencies involved in water supply, parks, and climate-related work should take note of these changes:

- **Safe Drinking Water Projects (Disadvantaged Communities):** CEQA exemptions for certain small-scale water system improvements were extended to 2032 and broadened in scope. Previously, projects benefiting a small disadvantaged community water system were exempt until 2028 if they met specific criteria (and did not affect wetlands or sensitive habitat). SB 131 extends this sunset to January 1, 2032, and explicitly adds projects that provide sewer service to disadvantaged communities with failing septic systems into the



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exempt category. For instance, a county sanitation district connecting homes on inadequate septic tanks in a disadvantaged rural community to a sewer line may now do so under a CEQA exemption. This extension gives agencies more time and clarity to complete vital water infrastructure upgrades in low-income areas.

- **Climate Resilience Water Projects (Non-Construction):** New through 2030: SB 131 creates a temporary exemption (until January 1, 2030) for certain community water system projects that boost climate resiliency, biodiversity, or sensitive species recovery – provided these projects involve no construction activity. In practice, this might cover actions like planning or environmental restoration efforts funded by state grants that improve water supply resilience or ecosystem health without physical construction (e.g., groundwater recharge planning or habitat acquisitions for watershed protection). The project must result in long-term net environmental benefits and include protective measures in its design. By exempting such projects, the law encourages agencies to pursue innovative climate adaptation strategies quickly, as long as they aren't doing ground-disturbing work that could itself cause impacts.
- **Wildfire Risk Reduction:** SB 131 declares that wildfire fuel reduction projects are exempt from CEQA. This includes activities like prescribed burns, forest thinning, creating defensible space around communities, and constructing fuel breaks to reduce wildfire hazards. Given the urgency of wildfire prevention in California, this provision empowers fire districts, counties, and land managers to implement hazard mitigation projects without environmental reviews. The exemption is expected to speed up projects that protect communities from catastrophic fires, while still requiring those projects to incorporate best practices (under other laws) to avoid unintended ecological damage.
- **Public Parks and Trails:** The law exempts from CEQA any activity or approval necessary for the planning, design, acquisition, construction, or operation of new public park facilities or non-motorized recreational trails, if those projects are funded by specified state or local resources. In short, if a city receives certain state grants to build a new park or bike/pedestrian trail, the steps to implement that project (from buying land to building the facilities) won't trigger CEQA. This exemption can significantly streamline local park projects, allowing recreational amenities to be delivered to the community faster. Agencies should verify the funding source aligns with the law's criteria (for example, the funding might need to be from a voter-approved park bond or other designated program), but this is a clear incentive to use state grant programs for park and trail development.
- **Broadband in the Right-of-Way:** An existing CEQA exemption for linear broadband deployment (e.g., laying fiber-optic cable) was expanded by SB 131 to include projects in local street or road rights-of-way. Previously, CEQA law already exempted broadband lines in highway rights-of-way; now cities and counties can permit new broadband infrastructure along local roads without CEQA review. As the state pushes to close the digital divide, this helps fast-track broadband installations at the local level, since digging a trench or attaching cable to poles in an already-developed road corridor is now categorically exempt.
- **State Climate Strategy Updates:** SB 131 also exempts updates to California's Climate Adaptation Strategy from CEQA. While this pertains to a state-level policy document (not a physical project), it's part of the broader theme: planning efforts that guide climate



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resilience, by themselves, should not be slowed down by CEQA analysis. This reflects the Legislature’s view that timely action on climate planning is crucial and such high-level strategy updates won’t in themselves harm the environment (and indeed are meant to improve long-term outcomes).

Other Provisions

For completeness, SB 131 contains additional specialized CEQA provisions not detailed at length here – for example, exemptions for certain high-speed rail facilities (the development or improvement of maintenance facilities and station modifications for electrified high-speed rail, under specified conditions). It also directs the new Office of Land Use and Climate Innovation to map “eligible urban infill sites” statewide by 2027, to inform future streamlining efforts. These items, while noteworthy, are narrower in scope for most local agencies.

Focused CEQA Review for “Near-Miss” Housing Projects

One of the most significant procedural reforms in SB 131 is a change in how CEQA is applied to certain housing projects that almost qualify for an exemption. In the past, if a project failed to meet all conditions of a CEQA exemption or categorical exemption, it would lose the exemption entirely—often initiating a full EIR even if only one minor aspect disqualified the project. SB 131 changes this by adding a “focused review” rule for near-exempt projects:

- If a proposed **housing development project** would be exempt under a statutory exemption or specific categorical exemption but for a single disqualifying condition, then the lead agency’s CEQA analysis **must be limited solely to the environmental effects caused by that single condition**. In other words, the CEQA review cannot go broad, it should only study the particular issue that made the project ineligible for the full exemption. For example, if a 100-unit infill apartment project that qualifies under the CEQA infill exemption except that it would demolish one old structure that might be historic. Under the new law, the CEQA evaluation would be narrowed just to the potential **historic resource impact** (the single problematic condition), rather than a full-spectrum analysis of traffic, noise, air quality, etc., that would normally be required for a non-exempt project. This applies to both initial studies and EIRs – their scope is curtailed to only those effects caused solely by the condition that broke the exemption.
- Furthermore, any Environmental Impact Report (EIR) done under this focused review **need not discuss project alternatives or the project’s growth-inducing impacts**. These are often extensive sections of a traditional EIR. The logic is that if a project is fundamentally sound and in line with CEQA exemptions aside from one quirk, there’s little value in analyzing completely different alternatives or speculative growth effects. The law essentially streamlines the documentation to only what’s relevant to the exemption condition at hand.
- There are sensible limits: SB 131’s near-miss streamlined review does not apply if a project misses the exemption on more than one condition, or if the project is of a type fundamentally outside the scope of the exemption (the statute says “not similar in kind” to typical qualifying projects). Also, the focused review is



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unavailable if the project includes a **distribution center** or **oil and gas infrastructure**, or if it is located on natural or protected lands (e.g. in a wilderness or conservation area). These exceptions prevent abuse of the rule for projects that have multiple significant issues or are of a type the state considers inappropriate for fast-tracking. But for many typical infill housing proposals—which might hit just one snag like slightly exceeding a height limit or a minor inconsistency requiring a variance – this could be a powerful tool to avoid “all-or-nothing” CEQA outcomes.

For public agency staff and decision-makers, this focused review mechanism is a welcome relief. It provides a clear mandate to right-size CEQA studies. Agencies can save resources by tailoring environmental documents to only the pertinent issues, and project sponsors may be less inclined to abandon or downsize projects due to CEQA fears if they know only a single-issue analysis is required. In practice, we may see more negative declarations or mitigated negative declarations instead of full EIRs, or much shorter EIRs, when a housing project just narrowly misses an exemption. This translates to faster approvals and fewer points of legal challenge, since additional analysis (and its potential flaws) will be minimized. Essentially, SB 131 curbs the situation where one small CEQA-triggering factor turns into a multi-year review.

Other Notable CEQA Process Changes

SB 131 also includes a provision to streamline CEQA litigation and record-keeping, which is of interest to agencies that frequently find themselves assembling administrative records for court. The law now excludes staff notes and internal agency communications from the CEQA record of proceedings (such as internal emails, memos, and deliberative notes), except for projects that include a large distribution center or oil/gas facility. Previously, all those internal communications could become part of the record in a lawsuit, which is burdensome to collect and can limit frank discussion. With this change, unless the project is in one of the excluded categories, agencies will not have to produce most internal staff communications in the event of a CEQA challenge—a modest but meaningful reduction in paperwork, liability, and legal “gotcha” moments. This aligns with a broader effort to raise the relevancy standard for what goes into an administrative record, thereby shortening the record and focusing on materials that directly informed the decision.

Another noteworthy reform concerns local land use planning: rezoning actions needed to implement updated Housing Elements are now exempt from CEQA. Many cities and counties are required to rezone land for higher-density housing as part of their state-mandated Housing Element (the plan to meet regional housing needs). SB 131 removes the environmental review for such rezonings if the Housing Element was already analyzed under CEQA. In other words, when a jurisdiction upzones properties to accommodate its RHNA (Regional Housing Needs Allocation) after adopting a new Housing Element, that rezoning no longer triggers CEQA, provided the Housing Element’s EIR covered the broader impacts. This reform is a significant relief for local governments, as it prevents delay in implementing housing plans. Cities can make zoning changes to enable more housing without initiating a new CEQA process each time. It addresses a common bottleneck in the housing approval pipeline by ensuring that once a Housing Element’s vision is vetted, the follow-up zoning is not delayed by environmental analysis. Of course, if a rezoning goes beyond what was contemplated in the Housing Element EIR, further analysis might be needed, but the law encourages consistency and streamlining.



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SB 131 represents a significant step forward in streamlining CEQA for community-serving, infrastructure, and near-qualifying housing projects across California. By introducing new statutory exemptions and refining the review process, the law offers public agencies and project sponsors new tools to deliver essential facilities and services more efficiently—while maintaining important environmental safeguards. For guidance on how SB 131 may affect your projects or to discuss strategies for leveraging these reforms, contact Harris & Associates. The firm's experienced team is ready to help you navigate these changes and advance your community's goals.



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About the Author

An environmental practitioner and attorney with more than 30 years of experience in private- and public-sector planning, Bill has prepared hundreds of environmental documents for a diverse range of projects throughout California.

Throughout his career, Bill has leveraged his specialty in land use and environmental law to help agencies continually withstand legal challenges related to CEQA. He has prepared hundreds of environmental documents for a wide range of projects throughout California, including general plans, specific plans, government facilities, large-scale master planned communities, and mixed-use development.

Bill's varied background affords him an exceptional understanding of planning and zoning law, the California Environmental Quality Act (CEQA), and the National Environmental Policy Act (NEPA). His involvement during high-level discussions and negotiations with the California State Attorney General's office regarding analysis of greenhouse gas emissions led to the avoidance of a potentially damaging lawsuit.

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