



Executive Committee Agenda

Friday, June 13, 2025
9 a.m.

Welcome to SANDAG. The Executive Committee meeting scheduled for Friday, June 13, 2025, will be held in person in the SANDAG Board Room. While Executive Committee members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: <https://us02web.zoom.us/j/85467085841>

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Public Comments: Members of the public may speak to the Executive Committee on any item at the time the Executive Committee is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference Executive Committee meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

If you desire to provide in-person verbal comment during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the "Raise Hand" function to request to provide public comment. On a computer, the "Raise Hand" feature is on the Zoom toolbar. By phone, enter *9 to "Raise Hand" and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other "housekeeping" matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

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This meeting will be conducted in English, and simultaneous interpretation will be provided in Spanish. Interpretation in additional languages will be provided upon request to ClerkoftheBoard@sandag.org at least 72 business hours before the meeting.

Esta reunión se llevará a cabo en inglés, y se ofrecerá interpretación simultánea en español. Se ofrecerá interpretación en otros idiomas previa solicitud a ClerkoftheBoard@sandag.org al menos 72 horas antes de la reunión.

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[ផ្លូវការណ៍ឥតគិតថ្លៃ | ఉచిత బాషా సహాయం | ການຊ່ວຍເຫຼືອດ້ານພາສາພຣີ | Kaalmada Luqadda ee Bilaashka ah |](#)

[Безкоштовна мовна допомога | sandag.org/LanguageAssistance](#) | (619) 699-1900

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Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.



Executive Committee

MEMBERSHIP

The Executive Committee is composed of elected officials responsible for setting the monthly SANDAG Board of Directors agenda, reviewing grant applications, reviewing legislative proposals, preparing the Overall Work Program and Budget, and providing direction to staff in preparing items for Board consideration. The Executive Committee consists of six voting members representing East County, North County Coastal, North County Inland, South County, the City of San Diego, and the San Diego County Board of Supervisors. The SANDAG Chair is one of the six voting members. The SANDAG Vice Chair also is on the Executive Committee, as long as he/she represents an area of the region that is different from the area of the region represented by the Chair.

The Executive Committee generally meets at 9 a.m., on the second Friday of the month.

Staff contact: Ariana Galvan, (619) 699-1977, ariana.galvan@sandag.org

MEMBERS

Vacant

Supervisor, County of San Diego

Joe LaCava, Vice Chair

Council President, City of San Diego

Lesa Heebner, Chair

Mayor, City of Solana Beach
(Representing North County Coastal)

Rebecca Jones

Mayor, City of San Marcos
(Representing North County Inland)

John Minto, 2nd Vice Chair

Mayor, City of Santee
(Representing East County)

John Duncan

Mayor, City of Coronado
(Representing South County)

EX-OFFICIO MEMBERS

David Zito

Councilmember, City of Solana Beach
(Chair, Transportation Committee)

Ed Musgrove

Councilmember, City of San Marcos
(Chair, Public Safety Committee)

Carolina Chavez

Councilmember, City of Chula Vista
(Chair, Borders Committee)

Jack Fisher

Councilmember, City of Imperial Beach
(Chair, Audit Committee)

Carrie Downey

Councilmember, City of Coronado
(Chair, Regional Planning Committee)

ALTERNATES

Monica Montgomery-Steppe

Supervisor, County of San Diego

Vivian Moreno

Councilmember, City of San Diego

Sean Elo-Rivera

Councilmember, City of San Diego

Esther Sanchez

Mayor, City of Oceanside
(Representing North County Coastal)

Steve Vaus

Mayor, City of Poway
(Representing North County Inland)

Alysson Snow

Mayor, City of Lemon Grove
(Representing East County)

Luz Molina

Councilmember, City of National City
(Representing South County)

Executive Committee

Friday, June 13, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Executive Committee that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to eight public speakers. If the number of public comments under this agenda item exceeds eight, additional public comments will be taken at the end of the agenda. Executive Committee members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Approve

Michael Garcia, SANDAG

The Executive Committee is asked to approve the minutes from its May 9, 2025, meeting.

[Meeting Minutes](#)

+3. Review of Draft Board Agendas

Approve

Ariana Galvan, SANDAG

The Executive Committee is asked to approve the draft agendas for the June 27, 2025 and July 11, 2025, Board of Directors meetings.

[3A - Draft Board Agenda 06.27.25](#)

[3B - Draft Board Agenda 07.11.25](#)

Reports

+4. 2025 Board of Directors Retreat

Information

SANDAG Chair Lesa Heebner

Chair Heebner will present a summary of key takeaways, discussions, and outcomes from the annual Board of Directors retreat.

[2025 Board of Directors Retreat](#)

+5. Legislative Status Report

Approve

Ryan Williams, Jose Alvarez, SANDAG

The Executive Committee is asked to take a “support” position on California Senate Bill 71 (Wiener), and “oppose unless amended” on California Senate Bill 79 (Wiener).

[Legislative Status Report.pdf](#)

[Att. 1 - State Report from Ellison Wilson Advocacy, LLC.pdf](#)

[Att. 2 - Federal Report from Peyser Associates, LLC.pdf](#)

[Att. 3 - Border Report.pdf](#)

[Att. 4 - Senate Bill 71 \(Wiener\).pdf](#)

[Att. 5 - Senate Bill 79 \(Wiener\).pdf](#)

Adjournment

6. Adjournment

The next Executive Committee meeting is scheduled for Friday, July 11, 2025, at 9 a.m.

+ next to an agenda item indicates an attachment

June 13, 2025

May 9, 2025, Meeting Minutes

[View Meeting Video](#)

Chair Lesa Heebner (North County Coastal) called the meeting of the Executive Committee to order at 9:07 a.m.

1. Public Comments/Communications/Member Comments

Public Comments: Truth, Purita Javier, Cesar Javier, Allegedly Audra, Paul the Bold, Consuelo, and Blair Beekman.

Member Comments: Mayor Rebecca Jones (San Marcos).

Consent

2. Approval of Meeting Minutes

The Executive Committee was asked to approve the minutes from its April 11, 2025, meeting.

3. Review of Draft Board Agendas

The Executive Committee was asked to approve the draft agendas for the May 23, 2025, May 30, 2025, and June 13, 2025, Board of Directors meetings.

Public Comments: Truth, Allegedly Audra, Cesar Javier, Consuelo, and Paul the Bold.

Action: Upon a motion by Mayor John Duncan (Coronado), and a second by Mayor Jones, the Executive Committee voted to approve the Consent Agenda.

The motion passed.

Yes: Chair Heebner, Vice Chair Joe LaCava (City of San Diego), Second Vice Chair John Minto (Santee), Mayor Jones, and Mayor Duncan.

No: None.

Abstain: None.

Absent: County of San Diego.

Reports

4. Legislative Status Report

Senior Legal Counsel Samantha Foulke, Senior Regional Planner Stacey Cooper, Senior Government Relations Analyst José Alvarez, and Brady Guertin, League of California Cities, presented an overview of current advocacy efforts related to Regional Housing Needs Assessment and housing. The Executive Committee was asked to take a “support” position on Assembly Bill 650 (Papan).

Public Comments: Truth, Cesar Javier, Allegedly Audra, Blair Beekman, Consuelo, Paul the Bold.

Action: Upon a motion by Mayor Jones and a second by Second Vice Chair Minto, the Executive Committee voted to direct staff to analyze Senate Bill 79, to write a letter to the State Legislature related to the SANDAG housing principles, and to take a “support” position on Assembly Bill 650 (Papan).

The motion passed.

Yes: Chair Heebner, Vice Chair LaCava, Second Vice Chair Minto, Mayor Jones, and Mayor Duncan.

No: None.

Abstain: None.

Absent: County of San Diego.

Adjournment

5. Adjournment

The next meeting of the Executive Committee is scheduled for Friday, June 13, 2025, at 9 a.m.

Chair Heebner adjourned the meeting at 10:32 a.m.

DRAFT

Confirmed Attendance at Executive Committee Meeting

May 9, 2025

Jurisdiction	Name	Member/ Alternate	Attend
City of San Diego	Council President Joe LaCava, Vice Chair	Primary	Yes
	Councilmember Vivian Moreno	Alternate	No
	Councilmember Sean Elo-Rivero	Alternate	No
County of San Diego	Vacant	Primary	--
	Supervisor Monica Montgomery Steppe	Alternate	No
East County	Mayor John Minto, 2nd Vice Chair	Primary	Yes
	Mayor Alysson Snow	Alternate	Yes
North County Coastal	Mayor Lesa Heebner, Chair	Primary	Yes
	Mayor Esther Sanchez	Alternate	Yes
North County Inland	Mayor Rebecca Jones	Primary	Yes
	Mayor Steve Vaus	Alternate	Yes
South County	Mayor John Duncan	Primary	Yes
	Councilmember Luz Molina	Alternate	Yes
Ex-Officio Members			Attend
Chair, Transportation Committee	Councilmember David Zito		No
Chair, Public Safety Committee	Councilmember Ed Musgrove		No
Chair, Borders Committee	Deputy Mayor Carolina Chavez		No
Chair, Audit Committee	Councilmember Jack Fisher		No
Chair, Regional Planning Committee	Councilmember Carrie Anne Downey		No

Board of Directors

Friday, June 27, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to eight public speakers. If the number of public comments under this agenda item exceeds eight, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Michael Garcia, SANDAG

Approve

The Board of Directors is asked to approve the minutes from its June 13, 2025, meeting.

+3. Chief Executive Officer Delegated Actions*

Jennie Sharp, SANDAG

Information

In accordance with various board policies, this report summarizes delegated actions taken by the Chief Executive Officer.

+4. Policy Advisory Committee Actions

Francesca Webb, SANDAG

Approve

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

+5. Approval of Proposed Solicitations

Kelly Mikhail, SANDAG

Approve

The Board of Directors is asked to authorize the Chief Executive Officer to conduct the proposed solicitation(s) and contract awards as identified in this report.

+6. FY 2026 Transportation Development Act and State Transit Assistance Claims

Kimberly Trammel, Marcus Pascual, SANDAG

Approve

The Transportation Committee recommends that the Board of Directors:

1. Adopt Resolutions Nos. 20XX-XX through 20XX-XX, approving the FY 2026 Transportation Development Act and State Transit Assistance (STA) claims in substantially the same form as the attached resolutions; and
2. Approve the STA findings as certified by the North County Transit District.

Reports

+7. Procurements 101

Information

Susana Tello, Janet Bessent, SANDAG

Staff will provide an overview of the agency's procurement process, including key policies, procedures, and roles involved in contracting and purchasing activities.

Adjournment

8. Adjournment

The next Board of Directors meeting is scheduled for Friday, July 11, 2025, at 9 a.m.

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

Board of Directors

Friday, July 11, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to eight public speakers. If the number of public comments under this agenda item exceeds eight, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Michael Garcia, SANDAG

Approve

The Board of Directors is asked to approve the minutes from its June 27, 2025, meeting.

+3. Policy Advisory Committee Actions

Francesca Webb, SANDAG

Approve

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

+4. Meetings and Events Attended on Behalf of SANDAG

Francesca Webb, SANDAG

Information

This report provides an update on meetings and events attended by Board members.

+5. Approval of Proposed Solicitations

Kelly Mikhail, SANDAG

Approve

The Board of Directors is asked to authorize the Chief Executive Officer to conduct the proposed solicitation(s) and contract awards as identified in this report.

Reports

+6. FY 2026 Annual Audit Plan

Courtney Ruby, Independent Performance Auditor

Adopt

The Independent Performance Auditor will present the FY 2026 Annual Audit Plan for adoption by the Board of Directors.

Closed Session

+7. Closed Session: Public Employee Performance Evaluation (Gov. Code section 54957(b)(1))

The Board of Directors will meet in closed session to conduct the performance evaluation of the Chief Executive Officer for FY 2025.

Adjournment

8. Adjournment

The next Board of Directors meeting is scheduled for Friday, July 25, 2025, at 9 a.m.

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

DRAFT

June 13, 2025

2025 Board of Directors Retreat

Overview

The SANDAG Board of Directors held its annual retreat on May 1–2, 2025, at the Hilton Garden Inn in Carlsbad. The retreat provided a valuable opportunity for Board members to engage in collaborative discussions about the agency’s core responsibilities, strategic priorities, and internal governance.

Over the two-day event, members participated in sessions focused on the Draft 2025 Regional Plan, the TransNet Program, the Regional Housing Needs Assessment (RHNA), budget priorities, and the structure and function of SANDAG’s Policy Advisory Committees and Working Groups. The retreat also included open dialogue to advance a Code of Engagement and strengthen Board–staff relations.

Action: Information

Chair Heebner will present a summary of key takeaways, discussions, and outcomes from the annual Board of Directors retreat.

Fiscal Impact:

The 2025 Board of Directors Retreat is funded through Overall Work Program Project No. 9000100.

Schedule/Scope Impact:

The 2026 Board Retreat is scheduled for March 19-20, 2026.

Key Considerations

This year’s retreat provided a platform for Board members to build relationships, exchange ideas, and offer guidance on complex issues shaping the region’s future. Members expressed strong interest in increasing transparency, understanding historical context behind policy decisions, and improving how SANDAG communicates regional goals to their local constituencies. There was also a shared desire to ensure that future decisions align with clearly defined budget principles, project prioritization, and realistic revenue expectations.

The Board members also engaged in a roundtable discussion with one another and with staff that built on past efforts to establish a shared Code of Engagement and focused on promoting respectful dialogue, accountability, and collaboration. The retreat also marked the kickoff of a governance assessment effort, with members offering early input to shape how SANDAG’s policy advisory committees and working groups can better support the Board’s work moving forward.

Additionally, the Board held a focused discussion on the RHNA and recent state housing legislation. Members shared perspectives on how these mandates are affecting their jurisdictions and emphasized the importance of SANDAG’s role in advocating for realistic, regionally appropriate housing policy. The dialogue underscored the need for balance, equity, and stronger connections between planning, funding, and implementation.

Survey responses collected at the end of the retreat reflected strongly positive feedback. All respondents agreed that the retreat created a productive and educational environment, with the overwhelming majority rating it as excellent overall.

Next Steps

As a next step, staff will bring forward an updated Code of Engagement for the Executive Committee and full Board to consider, reflecting the input shared during the retreat.

Lesa Heebner, SANDAG Chair

June 13, 2025

Legislative Status Report

Overview

Staff regularly brings forward bills that advance SANDAG priorities and projects and align with [SANDAG's Legislative Program](#). Status reports on SANDAG legislative activities are provided to the Executive Committee on a regular basis.

Attachment 1 includes a summary from Ellison Wilson, LLC on state legislative activity related to SANDAG for May 2025.

Attachment 2 includes a summary from Peyser Associates, LLC on federal legislative activity related to SANDAG for May 2025.

Action: **Approve**

The Executive Committee is asked to take a “support” position on California Senate Bill 71 (Wiener), and “oppose unless amended” on California Senate Bill 79 (Wiener).

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

Key Considerations

SANDAG staff is recommending a “support” position on California Senate Bill 71 (Wiener), and an “oppose unless amended” position on California Senate Bill 79 (Wiener). Support of a bill means that SANDAG and its advocates will work to pursue passage of the legislation through activities such as letters of support and participation in hearings. Opposing a bill unless amended means SANDAG and its advocates will notify the author of its position through letters and participation in hearings, and actively work to seek amendments to the bill.

Senate Bill 71 (Wiener): [California Environmental Quality Act: exemptions: environmental leadership transit projects](#)

This bill, by Senator Scott Wiener, would remove the January 1, 2030 sunset date on existing California Environmental Quality Act (CEQA) exemptions for certain transportation plans and projects; retain a January 1, 2040 sunset for transportation projects using near-zero emission, natural gas, or low-NOx technology; expand the existing exemption to include Tier 4 or cleaner locomotives; and expand the existing exemption to include certain transit network planning activities and projects for micro transit, paratransit, and ferries.

Currently, many transportation projects are exempt from CEQA. The current exemption sunsets on January 1, 2030. Recent legislation has expanded these CEQA exemptions to include pedestrian and bicycle facilities; transit prioritization projects; projects for the conversion of general purpose lanes or highway shoulders to bus-only lanes; public projects to add or increase new bus rapid transit, bus, or light rail service; a public project to construct or increase zero-emission passenger rail service; a public project to construct or maintain infrastructure to charge or refuel zero-emission transit buses, trains, or ferries. The bill would remove this sunset date and permanently establish these exemptions to CEQA. These exemptions could result in significant cost savings for agencies developing transportation plans and capital projects.

Support of this legislation is consistent with [SANDAG's Legislative Program Goal No. 3](#), supporting expanded access to resources and technical tools that will enable SANDAG to implement the Regional

Plan; as well as Goal No. 5, to support policy and/or legislative changes to streamline CEQA and the National Environmental Policy Act (NEPA).

Senate Bill 79 (Wiener): [Housing development: transit-oriented development: California Environmental Quality Act: public transit agency land](#)

This bill, by Senator Scott Wiener, would establish state standards for transit-oriented zoning around qualifying transit stops. Based on the quality of transit service at the station and distance of the development from the transit stop, the bill authorizes housing developments by-right with specific height, density, and floor ratio standards. These provisions would override most applicable local restrictions. The bill divides transit stops into tiers, based on the type and frequency of transit service at a given transit stop.

The bill creates the following tiers:

Tier 1 transit stop: heavy rail transit (as defined) or very high frequency commuter rail

Within 1/4 mile of transit stop: up to 75 feet height, 120 units/acre minimum, 3.5 floor area ratio

Within 1/2 mile of transit stop: up to 65 feet height, 100 units/acre minimum, 3.0 floor area ratio

Tier 2 transit stop: light rail transit, high-frequency commuter rail, qualifying Bus Rapid Transit (BRT)

Within 1/4 mile of transit stop: up to 65 feet height, 100 units/acre minimum, 3.0 floor area ratio

Within 1/2 mile of transit stop: up to 55 feet height, 80 units/acre minimum, 2.5 floor area ratio

Tier 3 transit stop: frequent commuter rail, ferry service, or designated major transit stops

Within 1/4 mile of transit stop: up to 55 feet height, 80 units/acre minimum, 2.5 floor area ratio

Within 1/2 mile of transit stop: up to 45 feet height, 60 units/acre minimum, 2.0 floor area ratio

Additionally, developments immediately adjacent to transit stops would be eligible for an adjacency intensifier to increase the height limit by an additional 20 feet, the maximum density standard by an additional 40 dwelling units per acre, and the residential floor area ratio by 1.

If the bill were to be enacted today, the standards for housing developments near San Diego Trolley and Sprinter stops in San Diego County would likely be considered Tier 2. The San Diego-Coronado Ferry and COASTER stops would likely be Tier 3. Tier 3 also includes major transit stops as defined by Section 21155 of the Public Resources Code. There are over 900 existing and/or planned major transit stops throughout the region that could qualify as Tier 3 transit-oriented development (TOD) stops. At this time, staff believe that no existing transit stops in San Diego County would qualify as Tier 1 TOD stops.

The bill also exempts certain transit-related developments on publicly owned or transit agency-encumbered land from CEQA review and provides greater flexibilities for residential and commercial developments.

To be exempt from the provisions of the bill, local governments may adopt and enact alternative TOD plans that are subject to state approval and must meet or exceed the housing capacity established by this bill.

Potential Impacts

Consistent with jurisdictions' general plans, SANDAG's Draft 2025 Regional Plan plans for approximately 80% of future residential development and employment growth in areas with a high concentration of transportation options. Prioritizing growth near major transit stops and areas with existing and future transportation investments is an important tool for reducing greenhouse gas emissions.

That said, SB 79 represents a dramatic preemption of local zoning authority and could introduce unintended consequences for transit and housing goals shared by local jurisdictions, the region, and

state. The bill significantly limits local jurisdictions' authority over land use and zoning by preempting local height limits and density caps and mandating ministerial approval processes that bypass local discretionary review and opportunities for public input. It also places additional administrative and compliance responsibilities on jurisdictions which may lack the resources to implement the TOD criteria and mapping requirements in the bill.

As a result, there is a concern that the bill could create a disincentive for local jurisdictions to upgrade transit service and avoid establishing new transit routes that would activate these density mandates. Maintaining and expanding access to transit is core to the Regional Plan's ability to meet the State's required GHG targets. In addition, providing access to transit is critical to improving quality of life and affordability for San Diegans. If cities were to become resistant to establishing transit, it could challenge existing transit investments and undermine future Regional Plans and the ability to achieve federal and state mandates, like air quality conformity standards and greenhouse gas emission targets.

Taking an "oppose unless amended" position on this bill is consistent with SANDAG Legislative Program Goal No. 6, which calls for reforms to improve implementation of the Regional Plan and SB 375 and Goal No. 28, which calls for monitoring bills that require additional administrative measures on local agencies and governments.

Staff recommends the author consider incentivizing, rather than mandating, participation by local governments in these provisions and hopes to work with the author's office to identify how best to support the further development of housing and transit that aligns with local, regional, and state goals.

Next Steps

Pending approval by the Executive Committee, SANDAG will notify the authors of SB 71 and SB 79 of its positions and advocate accordingly.

Hannah Stern, Acting Director of Public Affairs

Attachments:

1. State Report from Ellison Wilson Advocacy, LLC
2. Federal Report from Peyser Associates, LLC
3. Border Report
4. Senate Bill 71 (Wiener)
5. Senate Bill 79 (Wiener)



TO: SANDAG BOARD OF DIRECTORS
FROM: ELLISON WILSON ADVOCACY, LLC
SUBJECT: SANDAG LEGISLATIVE REPORT – MAY 2025

Legislative Overview

The month of May included deadlines for all bills to be heard and passed by first house policy and fiscal committees. Additionally, budget subcommittees continued meeting to hear budget items to be included in the 2025-26 State Budget, including items in the Governor’s May Revise.

The remaining legislative calendar for 2025 includes:

- June 6: Last day for each house to pass first house bills
- June 15: Last day for Budget bill to be passed
- July 18: Last day for policy committees to hear all bills
- July 18-August 18: Summer Recess
- August 29: Last day for fiscal committees to hear all bills
- September 5: Last day to amend bills on the Floor
- September 12: Last day for each house to pass bills
- October 12: Last day for the Governor to sign or veto all bills

Governor Releases May Revise of his State Budget Proposal; Transit Funding in Jeopardy

On May 14th, Governor Newsom presented the “May Revise” of his proposed 2025-25 State Budget, which identified an additional \$12B deficit – not including possible federal spending cuts later this year. Newsom tied the increased shortfall to a “Trump Slump” (i.e. reduced revenue due to tariffs, market volatility, and declining tourism), while state Republicans dubbed it “Gavin’s Gap.” Aside from a pre-planned withdrawal of \$7.1B from the Budget Stabilization Account, his proposal primarily attempts to close this deficit through cuts/changes to the state’s Medi-Cal program.

However, it is his Cap-and-Trade/Greenhouse Gas Reduction Fund (GGRF) reform proposal that is drawing massive concern from transit/rail advocates at the Capitol. The May Revise proposes an extension to the Cap-and-Trade program to 2045 (currently set to expire in 2030), renames the program “Cap-and-Invest,” and states an intention “to work with the Legislature to design an expenditure plan that invests the program’s proceeds in transformative climate projects,” which according to the Governor, should include: 1) at least \$1 billion annually for the High-Speed Rail Project; and 2) \$1.5B annually for CalFIRE. To support the Governor’s proposed GGRF investments, and as starting position for negotiations with the Legislature, his plan would effectively cut all GGRF discretionary expenditures, as well as place into jeopardy GGRF continuous appropriations, including:

- Reduce the state’s planned \$1B investment in the formula-based Transit and Intercity Rail Capital Program for Fiscal Year 2025-26 to \$812M.
- Eliminate the state’s planned \$690M investment in the formula-based Zero-Emission Transit Capital Program for Fiscal Years 2026-27 and 2027-28.
- Eliminate the state’s planned \$200M investment in TIRCP Cycle 6, impacting existing grant awards.
- Put at risk continuous appropriations to the TIRCP and LCTOP, impacting existing grant awards under TIRCP Cycle 5 and 7, and all future grant cycles.

Additionally, as an existing GGRF discretionary expenditure, the proposal would also cut future Highways to Boulevards grants (currently budgeted for \$75M over the next two fiscal years).

SANDAG has already begun advocacy efforts, alongside fellow impacted stakeholders, to inform the Legislature about the impacts such cuts would have on the region and state’s efforts to enhance mobility, reduce vehicle miles traveled, and reduce greenhouse gas emissions, including providing testimony to the relevant budget subcommittees.

Additionally, despite the continued focus on California’s housing crisis, the Governor further reduced the amount of affordable housing programs available by proposing cutting \$31.7M from the Infill Infrastructure Grant Program in his budget proposal. Instead, the Governor proposed increased spending to support the reorganization of the Business, Consumer Services, and Housing Agency, including creating the new California Housing and Homelessness Agency (CHHA) and the Housing Development and Finance Committee (HDFC) – \$4.2M in 2025-26, \$6.4M in 2026-27, and \$6.2M in 2027-28 and ongoing to support the reorganization. Additionally, the Governor reemphasized his commitment to “accelerating housing production,” including support for proposals “that hold all permitting entities accountable to existing statutory processes and timelines to reduce delays, alongside targeted improvements to existing streamlining tools and innovative financing strategies that reduce vehicle miles traveled by supporting affordable, transit-oriented housing.”

Also of note, no increase in funding is being proposed for the Active Transportation Program (ATP). At this point, the May Revise still honors last year’s budget deal to fund \$100M in 2025-26 for ATP, but the remaining \$400M that was cut in last year’s deal that was “subject to appropriation” is not proposed to be appropriated this year.

As is typical, negotiations will now ensue with the Legislature in order to pass a “balanced” budget bill by June 15th, however, in light of the uncertainty with federal money and the complexity of several policy-based items, whatever is passed in June is very likely to be subsequently modified later by future legislation.

SB 10 to Authorize Otay Mesa East Toll Facility Toll Revenues to Tijuana River Mitigation Passed by the Senate Appropriations Committee

SB 10 by Senator Steve Padilla would authorize SANDAG to also use the toll revenues from the Otay Mesa East Toll Facility “to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility and the development of additional sanitation infrastructure projects related to the Tijuana River pursuant to an agreement with the federal government.” SANDAG has engaged in ongoing discussions with Senator Padilla and his office to ensure any proposed changes do not unnecessarily place the project in jeopardy, including such that the “repayment of bond obligations shall take priority over other allocations of toll revenues.”

After being passed by the Senate Transportation Committee, 11-3, in late March, SB 10 was sent to the Senate Appropriations Committee. On April 21st, the bill was sent by the Committee to its “suspense file,”

which is where the Committee sends all bills that cost the state \$150,000 or more. The Committee identified the following state costs associated with the bill:

To the extent the use of toll revenues for sewage treatment facility maintenance and other sanitation projects is consistent with federal and state law, this bill would result in unknown, major cost pressures, likely in the millions annually. Diversion of toll revenues for purposes specified in the bill that are not directly related to the new Port of Entry would reduce amounts currently planned for expenditure on transportation facilities associated with the state highway system in the SR 11 corridor, including the Intelligent Transportation System (ITS), tolling facilities, and the California Highway Patrol's Commercial Vehicle Enforcement Facility. To the extent there are insufficient remaining toll revenues to pay for ongoing operations, maintenance, repair/replacement, and improvements to those facilities, it may be necessary to expend state transportation revenues for those purposes.

SB 10 was passed off the Senate Appropriations Committee's suspense file on May 23rd and will now head to the Senate Floor for a vote of the full Senate, where it'll need to be passed by June 6th.

Key Housing Bills Survive Suspense Hearing

Friday, May 23rd was the deadline for fiscal committees to act on measures in their house of origin for the 2025 California Legislative Session. As such, both the Senate and Assembly Appropriations Committees held their suspense hearings shortly before leaving town for the Memorial Day Weekend. Overall, the Senate Appropriations Committee had 432 measures on its suspense file, with 307 bills passed and 125 bills held or made 2-year bills (so, a passage rate of 71%), while the Assembly Appropriations Committee had 666 measures on its suspense file, with 435 bills passed and 231 measures held or made 2-year bills (so, a passage rate of 65%).

Several high-profile housing bills were on the chopping block, but the following key bills all survived, some with considerable amendments:

- AB 650 by Assembly Member Diane Papan, a Cal Cities-sponsored, SANDAG-supported bill that includes beneficial provisions that would allow local governments to begin the housing element update process six months early, provide greater certainty and reduce ambiguity in the housing element review process, and ensure that local governments have adequate time to respond to the California Department of Housing and Community Development's (HCD) review letters, was passed despite a Committee analysis that identified the following state costs: "HCD estimates ongoing General Fund costs of \$11.1 million annually for 52 positions to meet their new obligations."
- SB 71 by Senator Wiener, which would: 1) remove the 2030 sunset on existing CEQA exemptions for various transportation plans and projects; 2) retain a 2032, sunset for transportation projects using near-zero emission, natural gas, or low-NOx technology; and 3) expand the existing exemption to include changes to plans redesigning transit networks and for projects for microtransit, paratransit, shuttles, and ferries, was passed with amendments to expand eligibility to certain passenger rail projects and remove the requirement for projects to be within an urban cluster.
- SB 79, Senator Wiener's bill that would force cities to approve transit-oriented development projects near specified transit stops – up to seven stories high and a density of 120 homes per acre – was passed with amendments to: 1) Revise the definition of urban transit county; 2) Add a severability clause; 3) Delete Surplus Land Act provisions; and 4) Remove light industrial zones from the bill.
- SB 607 by Senator Wiener, which proposed revisions to CEQA to reduce duplicative and unnecessary environmental reviews, promote infill development, and prevent CEQA abuse, was technically passed, however, the current bill language will be replaced with intent language to have "continued discussions through the 2025-26 budget process regarding necessary statutory changes to

CEQA to ensure the state meets its critical infrastructure needs and is more affordable for all Californians without compromising environmental protections.”

All of these bills will now head to their respective floors for a full vote from their house of origin.

PEYSER ASSOCIATES LLC

Peter A. Peyser

May 30, 2025

Transportation Update from Peyser Associates

Supreme Court Limits Review of NEPA Clearances

While Congress begins to explore reforms to the NEPA clearance process, the Supreme Court yesterday issued a decision likely to have a significant impact on the scope of NEPA reviews and the reach of the courts to review agency decisions.

The decision came in a case entitled *Seven County Infrastructure Coalition v Eagle County*. The case centered on a 2021 action by the Surface Transportation Board (STB) to clear the construction of an 88-mile railroad in Utah to connect oil and gas fields there to the national network of freight railroads. A suit against the STB had been brought seeking to invalidate that approval. The DC Circuit Court of Appeals ruled to overturn the STB action on the basis that the agency did not review the environmental impacts of the upstream drilling activities that would take place as a result of the improved access to markets and the downstream effects of additional refinery capacity that would be added in Gulf Coast states.

In a unanimous 8-0 decision (Justice Neil Gorsuch recused himself) the Court reversed the DC Circuit Court of Appeals decision and re-instated the STB approval, thereby removing a barrier to construction for the railroad.

Justice Brett Kavanaugh wrote the decision for the majority and made three key points. First, he wrote that “NEPA is a procedural cross-check, not a substantive roadblock. The goal of the law is to inform agency decision making, not to paralyze it.” By that he meant that an EIS need only review environmental impacts and that there is no substantive requirement that the review reach a particular conclusion. Second, he said that NEPA does not require an agency to consider environmental effects beyond those created by the “proposed action,” in this case the construction and operation of a railroad. The extent to which effects typically referred to as “indirect” or “cumulative” should be evaluated is at the agency’s discretion, Kavanaugh wrote. Third and perhaps most important, the opinion emphasized multiple times that the key principle to be applied by a court reviewing an agency decision should be “substantial judicial deference.” Here is the key sentence from the decision on this point:

“So long as the EIS addresses environmental effects from the project at issue, courts should defer to agencies’ decisions about where to draw the line—including (i) how far to go in considering indirect environmental effects from the project at hand and (ii) whether to analyze environmental effects from other projects separate in time or place from the project at hand.”

In describing the impacts of current practice on the development of infrastructure projects Kavanaugh wrote this:

“Fewer projects make it to the finish line. Indeed, fewer projects make it to the starting line. Those that survive often end up costing much more than is anticipated or necessary, both for the agency preparing the EIS and for the builder of the project. And that in turn means fewer and more expensive railroads, airports, wind turbines, transmission lines, dams, housing developments, highways, bridges, subways, stadiums, arenas, data centers, and the like. And that also means fewer jobs, as new projects become difficult to finance and build in a timely fashion.”

From a policy point of view, the Court's decision in this case is likely to affect the drive for permitting reform in the context of upcoming surface transportation legislation. It may also cause federal agencies to re-think their current approach to examining indirect or cumulative impacts of a project in an EIS. It may also diminish the fear of litigation by federal agencies and project sponsors and therefore accelerate the advancement of projects into and through the NEPA clearance process. In short, the Court may have stolen a lot of Congress' thunder in the drive to reform the NEPA process.

Administration Expected to Send Rescissions Package to Capitol Hill Next Week

The Trump Administration plans to send a \$9 billion package of appropriations rescissions to Capitol Hill next week. According to an OMB spokesperson commenting to the media, the proposed cuts will focus on the Public Broadcasting Service, National Public Radio, and foreign aid. House Speaker Mike Johnson (R-LA) said the House would act quickly on the package. While the House is likely to pass it, its fate in the Senate could be in question.

While the scope of the rescission package is limited, it has broad significance as a marker in the potential upcoming battle over the Administration's ability to withhold (or "impound") already appropriated funds. By sending this package to the Hill, the Administration is following the process outlined in the Impoundment Control Act of 1974 – a law the president and OMB director Russell Vought believe is unconstitutional. It is possible the submission of this package to the Hill is a test to see if Congress will pass it.

Court Blocks DOT From Withholding Funding in New York Congestion Pricing Dispute

A federal judge this week blocked the Trump Administration from making good on its threat to start withholding transportation funds from the New York MTA if it failed to terminate its congestion pricing program by May 29. The temporary order will remain in effect until June 9, when the judge plans to issue a ruling on the underlying lawsuit over DOT's right to cancel its approval under the Biden Administration of the congestion pricing program.

While the case at hand is limited to its impact on this program in New York, its outcome could reverberate as DOT threatens to withhold funding from transportation agencies over issues relating to safety and security, DEI, immigration enforcement and other issues. As a result, it will be worthwhile to track developments on it just as we are watching developments in the case in western Washington over the potential impacts of FTA's new master agreement on funding to transportation agencies.

Molinaro Confirmation Expected Next Week

President Trump's nominee for Administrator of FTA, Marc Molinaro, expects to be confirmed by the Senate next week. He would take office immediately after the confirmation.

House Bill would Place the MAGA Brand on Washington Metro

Legislation was introduced in the House the week that would rename the agency that runs Washington Metro as the "Washington Metropolitan Authority for Greater Access" or WMAGA.

The legislation was introduced by Rep. Greg Steube (R-FL) and is called the "Make Autorail Great Again Act." (The use of the term "Autorail" is not explained.) The bill would also rebrand the Metrorail service as the "Trump Train." Click [HERE](#) to see Rep. Steube's press release.

The White House has not commented on the measure as of this writing.

Transportation Update from Peyser Associates

House Advances Reconciliation Bill

The House yesterday morning passed on a vote of 215-214 the “One Big Beautiful Bill Act” that President Trump has made the centerpiece of his domestic agenda. The bill would make permanent the tax cuts enacted during his first Administration and add some new tax breaks as well. The bill also increases spending for defense, immigration enforcement, border security, and aviation safety. Spending cuts would fall on Medicaid, SNAP, and a variety of smaller programs. According to the non-partisan Congressional Budget Office, the bill will add \$2.5 trillion to the national debt over the next ten years. The bill increases the national debt limit by \$4 billion, which may not be enough to get past next year’s election without another vote to raise the limit.

As noted in this report three weeks ago, the transportation portions of the package include \$21 billion to the Coast Guard for drug interdiction and immigration enforcement and \$12.5 billion to the Federal Aviation Administration for air traffic control improvements.

The bill rescinds all unobligated funds from the Neighborhood Access and Equity, Environmental Review Implementation and Low-Carbon Transportation Materials programs.

The measure also includes the \$250 annual fee on zero emissions personal vehicles and \$100 on hybrids. Proceeds from the collection of those fees would be deposited in the Highway Trust Fund, with no allocation specified to the Mass Transit Account of the fund. Since 1983, all taxes and fees going to the trust fund have been split 80% for highways and 20% for transit. In a speech to APTA this week, House Transportation and Infrastructure Committee Ranking Member Rick Larsen (D-WA) said this measure’s provision on the allocation of deposits is not the last word on the topic and said he would keep fighting for the transit account to get its share.

After two nights when House Members worked through the night to get the bill through the Rules Committee and House Floor respectively, the House GOP celebrated their victory. However, the delicate balance they achieved within their caucus is likely to be disturbed when the Senate acts on its version of the reconciliation package. Key GOP Senators have made it clear they cannot accept the House Medicaid cuts and the House provision to increase the deductibility of state and local taxes (SALT) is also in some jeopardy because there are no GOP Senators from the high-tax states that would benefit from it.

Senate Majority Leader John Thune (R-SD) would not comment yesterday on the Senate’s schedule for taking up the measure. Previously, he and Speaker Mike Johnson had pledged to send the package to the president’s desk by July 4th. That is looking like a challenge at this juncture.

Duffy Tells APTA “You Have a Friend at DOT”

In a speech to the American Public Transportation Association’s Legislative Conference, Secretary of Transportation Sean Duffy on Monday told the audience of his appreciation for the role transit plays in connecting Americans to jobs and essential services and noted that President Trump is a builder who wants to get things done. While most of his speech was upbeat, he did spend a few moments urging transit agencies to “clean up” their systems, saying transit facilities are not places for the homeless to shelter, mentally ill people to congregate, or pickpockets to prey on riders. He said systems that fail to manage these issues will have trouble attracting investment. His language in the speech tracks closely to the text of letters on safety and security he sent this year to the New York MTA and Washington Metro. After that cautionary note, Duffy singled out Washington Metro for praise of their efforts to double down on fare enforcement and Los Angeles Metro for their recent move to appoint a new chief of transit policy as a first step in standing up their own police department.

Duffy made no mention in his speech of the Administration's initiatives to eliminate "illegal DEI" programs and policies or to force transit agencies to cooperate with immigration enforcement authorities. He left that job to Acting FTA Administrator Tariq Bokhari, who emphasized those issues in two different appearances during the conference.

The Secretary received a standing ovation from the audience both when he was introduced and when he finished his speech.

House Appropriations Committee Announces Mark-up Schedule

The House Committee on Appropriations this week announced its schedule for consideration of fiscal year 2026 appropriations bills. The Transportation-HUD measure will be marked up in subcommittee on July 7 and in full committee on July 10.

The Senate has not announced a schedule yet for action on their side.

Rumors Swirl About Impending Cancellation of Grants and Grant Award Announcements

A list is circulating in DC of DOT grants already executed and grants announced but not executed that may be slated for cancellation in the days ahead. The list includes mostly grants from the Neighborhood Access and Equity and Reconnecting Communities Programs and cites as the reason for the upcoming action their link to DEI policies. While it is not a surprise that these two programs are in the target zone for this Administration, the presence of already executed grants on the list that is circulating would take the Administration's efforts to a new level. When Secretary Duffy launched the review of all DOT programs, policies and grants in February, he indicated that already obligated grants were not part of the review.

May 16, 2025

Transportation Update from Peyser Associates

FTA Issues Bus Discretionary Grants Notice of Funding Opportunity

The FTA yesterday released the Fiscal Year 2025 Notice of Funding Opportunity (NOFO) for the Low or No Emissions Program (Low-No) and the Bus and Bus Facilities programs. The total funding under the NOFO is \$1.5 billion, with \$398 million of that for the Bus and Bus Facilities program and the remainder for the Low-No program. Applications are due on July 14. Awards should be announced around September 30.

The NOFO makes it clear that awards under the Low-No program will skew heavily away from Zero Emission Vehicles (ZEVs) and facilities and that both programs will apply new Trump Administration policies that will reduce the potential for success for applicants from numerous cities and regions that do not conform to and/or are resisting Trump policies on DEI and immigration enforcement.

This is the first FTA NOFO that will require applicants to apply the principles of the DOT order that is intended to focus funding on communities with marriage and birth rates higher than the national average and that cooperate with federal enforcement of immigration law. It also will require grantees to accept the new Master Agreement terms around DEI policies and "the most recent Certifications and Assurances." This last reference likely telegraphs that FTA's new Certifications and Assurances for FY 2025 can be expected soon.

The NOFO indicates that the Administration will apply the principles of the DOT Order #2100.7 entitled “Ensuring Reliance Upon Sound Economic Analysis in DOT’s Policies, Programs and Activities.” Among the provisions of the order relevant to this NOFO are the following:

- To the extent applications assess the value of changes in greenhouse gas emissions, they are expected to follow the guidance of an OMB Circular from 2003 – not guidance issued in intervening years by the EPA relating to the social cost of carbon.
- Projects are expected to avoid adverse impacts that may include: “noise; water pollution; soil contamination; a denial or reduction in transportation services; increased difficulty in raising children in a safe and stable environment and destruction of community cohesion, safety or economic vitality.”
- Projects are expected to maximize benefits such as access to jobs, economic opportunities, key community and commercial activities with the goal to help “alleviate poverty, enhance safety and primarily benefits families and communities by improving the quality of their lives, raising their standard of living and enabling them to participate more fully in our economy.”
- Grants will not be used “to further local political objectives or projects and goals that are purely local in nature and unrelated to a proper Federal interest.” One can assume that this provision targets local hiring preferences and the furtherance of local land use objectives.
- Grants should also prioritize investment in opportunity zones, give preference to communities with marriage and birth rates higher than the national average, prohibit recipients from imposing vaccine or mask mandates and “require local compliance or cooperation with Federal immigration enforcement and other goals and objectives specified by the President of the United States or the Secretary.”

The NOFO also indicates that the FTA “intends to prioritize low-emission projects over zero-emission projects, to the maximum extent permitted by law.” The statutory provision creating this program (49 USC 5339 (c)) sets aside 25% of Low-No funds for buses or bus facilities “other than zero emission vehicles and related facilities.” For the remaining funds, the statute says the Secretary “shall consider eligible projects relating to the acquisition or leasing of low or no emission buses or bus facilities that make greater reductions in energy consumption and harmful emissions, including direct carbon emissions, than comparable standard buses or other low or no emission buses.” While the Obama, Trump 1.0 and Biden Administrations clearly interpreted this as a requirement that these funds go to ZEVs and facilities; the Trump 2.0 Administration appears ready to find whatever wiggle room they can steer the funds to low emission applications.

Taken together the provisions of this NOFO make it clear the Trump Administration will use this NOFO as the first major pivot point to demonstrate to the transit industry the impacts of their new policies. They are telegraphing that awards cannot be expected to go to “sanctuary cities” or others who do not adequately cooperate with federal immigration enforcement effort or to communities that are resisting the Administration’s new Master Agreement provisions. The strong signal of a preference for low-emissions vehicles and facilities in the Low-No program will likely result in a severe reduction of applications for ZEVs and facilities and a greatly reduced focus on those projects in funding decisions.

Duffy Defends the Trump Transportation Budget at Appropriations Committees

In a hearing ostensibly about President Trump’s “skinny budget” released last week, Transportation Secretary Sean Duffy on Wednesday spent most of his time talking about the reforms he plans for FAA’s air traffic control network and the hiring and retention of air traffic controllers.

During the hearing, there was little conversation about public transit. Rep. Mike Quigley (D-IL) probed Duffy on the Administration’s goal to give preference in funding decisions to cities with marriage and

birth rates higher than the national average. Duffy said he wanted to focus on birth rates because “I want to support the infrastructure needs of the future and where we have families and kids is where we’re going to need infrastructure.” Rep. Norma Torres (D-CA) asked about delays in executing grants and Duffy responded with his now-familiar talking point about the backlog of 3,200 announced grant awards left on his desk by the Biden Administration. Rep. Pete Aguilar (D-CA) put in a plug for the LA region’s proposed transportation projects for the FIFA World Cup and the Olympics. Duffy indicated support for those events and said he would work with Aguilar on those requests. Rep. Adriano Espaillat (D-NY) asked if Duffy would honor existing CIG full funding grant agreement. Duffy’s answer referenced University grants that had been cancelled. He didn’t seem to understand Espaillat’s question and Espaillat did not try to get him focused on the CIG program.

There was no mention of Amtrak during the hearing or any conversation about passenger rail projects or issues. Freight rail questions were raised by several Members.

Yesterday Duffy appeared before the Senate Appropriations Subcommittee on Transportation-HUD to discuss the budget proposal again. As on the day before, the vast majority of time and attention in the hearing was focused on aviation issues.

On transit matters, Sen. Kirsten Gillibrand (D-NY) asked a question regarding existing FTA CIG grants that had the same intent as Rep. Espaillat’s question from Wednesday but was more clearly asked. In response to her listing six existing Full Funding Grant Agreements and asking if he would honor them Duffy said: “If you ask me if I plan on canceling those grants agreements, I do not.”

Sen. Coons engaged Duffy in a conversation about Amtrak’s Northeast Corridor. His comments about his hopes for the funding proposals to come in the president’s detailed budget proposal were a jumping off point for the secretary to muse about how competition to provide rail service in the Northeast corridor might be beneficial. That seemingly casual comment is an indicator of a policy direction being discussed in the Trump Administration that would represent a tectonic shift in Amtrak’s role and a complex challenge for commuter operators in the corridor.

The only other rail program discussed during the hearing was the CRISI grant program. Senators Jerry Moran (R-KS) and Katie Britt (R-AL) each raised the importance of CRISI grants to projects in their states.

Nominee for FRA Administrator Enjoys Smooth Confirmation Hearing

David Fink, President Trump’s nominee for Federal Railroad Administrator, enjoyed a peaceful confirmation hearing on Tuesday before the Senate Commerce Committee. He was one of four nominees that sat on a panel before the committee.

Mr. Fink’s opening statement emphasized the primacy of safety as the goal of the agency and steered clear of any substantive mention of Amtrak or the agency’s grants for railroad development. He did highlight the importance of the CRISI program for safety-related projects however.

During the Q and A, Mr. Fink benefitted by the presence on the panel of a nominee for the Amtrak Board named Robert Gleason. Mr. Gleason is a well-connected Pennsylvania Republican who served in high-ranking positions in state government and as a commissioner on the Pennsylvania Turnpike Commission. Senators with questions about Amtrak-related issues and projects mainly asked their questions of Gleason with only a few quick check-ins with Mr. Fink. There was no discussion of the FRA’s implementation of its major grants programs or of specific passenger rail development projects aside from Chicago Union Station.

The Committee is likely to take action to advance Fink's nomination to the floor in the next few weeks. He will likely be sworn in this summer.

DOT Announces Approval of 76 More Grants

In what is becoming a weekly cadence of press releases, Secretary Duffy announced on Wednesday the approval of 76 more grants from the backlog of 3,200 grants he inherited from the Biden Administration. The press release on the announcement says this brings the total number of grants approved by the Trump Administration to 405 – or 13% of the backlog.

May 9, 2025

Transportation Update from Peyser Associates

Trump Skinny Budget Portends Potential Cuts in Infrastructure Law Funding

After this report went to press last Friday, the Office of Management and Budget released what they referred to as a “First Budget” for Fiscal Year 2026. Washington budgeteers refer to this document as a “skinny budget” because, at 46 pages, it does not contain much programmatic spending detail. However, the document does include some details the Administration wishes to highlight on cuts and additions to specific programs.

At a high level, the Budget proposes \$1.7 trillion in discretionary funding (i.e. not including entitlements like Social Security, Medicaid and Medicare), a reduction of 7.6% from the current fiscal year. Within that total, the Administration is seeking to increase Defense spending by \$119.3 billion to \$1 trillion – a 13.4% increase and to decrease Non-Defense spending by a like dollar amount to achieve a 16.6% cut. All of the overall savings in the Budget would be achieved by reducing funding for programs considered “emergency funding.” Cuts in that category would be taken largely from Emergency Funding, Disaster Relief and the Infrastructure Investment and Jobs Act.

By proposing to cut IJA funding by \$ 22.5 billion, the Administration is indicating its intention to seek the rescission of advance appropriations funding included in that bill. Within that total, the proposed cut from transportation programs would be \$4.1 billion. Because the budget does not detail from which accounts those cuts would come, we can only guess their impact. Some targets for those cuts could include the FTA Capital Investment Grant program, Low-No Bus grants, Reconnecting Communities Pilot Program grants, Federal-State Partnership for Intercity Passenger Rail, Amtrak, and others.

In the core programs at DOT – those not funded through the IJA – the Budget proposes a 5.8% increase up to \$26.7 billion. This figure does not include trust fund programs, which make up the vast majority of DOT spending. While we will have to await release of the full budget to see full detail of spending proposals by program at DOT, the summary released last week does highlight two proposed changes of note for readers of this report. The Budget proposes to increase spending for the INFRA program by \$770 million for fiscal 2026 – an increase of more than 50% -- and to add \$400 million above current levels for the CRISI program at FRA.

The main benefit to congressional appropriators of this Budget is that it will allow them to kick-off the fiscal year 2026 appropriations process by seeking agreement on the top-line Defense and Non-Defense spending numbers. That is the first step in a process that will lead to an allocation of spending authority to each of the subcommittees in the House and Senate Appropriations Committees. Committee work on

transportation funding will begin next week when Secretary of Transportation Sean Duffy testifies at the House Subcommittee on Transportation-HUD on Wednesday.

DOT Announces Execution of 180 Grants

Secretary Duffy on Tuesday announced the execution of 180 grants. His press release said the total of grants now approved by the Trump Administration is 329 grants – a little more than 10% of the 3200-grant backlog left on his desk when he took office. DOT has only issued releases on about 185 of those grants, so it's not clear what makes up the full total they are citing.

Most notable on the list is the inclusion of “Low-No” bus grants. As recently as last week, rumors were flying that OMB has put a hold on such grants. Those announced this week are still only a fraction of the grants still pending from fiscal years 2022-2024 for that program.

The full list of executed grants released this week can be found [here](#).

Cities and Counties Sue Trump Administration Over HUD and FTA Grant Requirements

Last Friday, eight cities and counties sued the Trump Administration in Federal court to block the imposition of new conditions on federal funds allocated by FTA under its numerous programs and by HUD for its Continuum of Care program. The suit was brought in the Western District of Washington by the Washington State Counties of King, Pierce and Snohomish; the City and County of San Francisco; Santa Clara (CA) County and the Cities of Boston, Columbus and New York. Only King County is seeking relief from the FTA funding conditions. The others are interested only in the HUD program impacts.

The plaintiffs allege in the suit that the new grant requirements, which flow from Presidential executive orders and new interpretations of the constitution and civil rights statutes, “contravene bedrock separation of powers principals and violate numerous other constitutional and statutory protections.”

With regard to the FTA grant conditions, King County seeks a temporary and permanent injunction preventing FTA from applying the new conditions set forth in the new Master Agreement and Secretary Duffy’s recent letter to all grantees. In recent Supreme Court and lower court decisions, limitations have been put in place on the reach of an order of a particular District Court. If the Western Washington District grants King County the relief it seeks, it is unclear what effect that will have outside that district. But whatever the ruling, it will send a signal to transit agencies nationwide of the potential for relief from the requirements FTA seeks to impose.

On Monday, the plaintiffs filed for a Temporary Restraining Order to prevent the immediate implementation of the grant conditions from HUD and FTA. The Court granted it on Wednesday for a 14-day period while it evaluates briefs from the parties on the request for a temporary injunction.

May 2, 2025

Transportation Update from Peyser Associates

House T&I Committee Advances GOP Budget Reconciliation Package

The House Committee on Transportation and Infrastructure on Wednesday approved its portion of a Budget Reconciliation package that will come to the House floor in the weeks ahead as part of an effort to enact tax cuts, broad spending cuts and targeted spending increases. The T&I Committee package passed on a party line vote amid complaints from Democrats that the bipartisan traditions of the committee were being trampled on.

The biggest news in the package is the inclusion of new annual fees of \$250 on all electric vehicles and \$100 on hybrids. States would collect the fees from car owners and remit the proceeds to the Highway Trust Fund. This move by the committee is the first attempt by the committee to address an issue both parties have pointed to for years – that alternatively powered vehicles do not contribute to the highway trust fund the way other users do. One key point is that unlike every other revenue raiser added to the Highway Trust Fund since 1983, this one does not allocate 20% of its proceeds to the Transit Account of the Highway Trust Fund.

The package is also notable for its \$12.5 billion increase in funding to the Federal Aviation Administration for modernizing air traffic control and \$21 billion to the Coast Guard for drug interdiction and enforcing immigration laws.

The package cuts \$4 billion by rescinding funding from unobligated amounts of several programs including, among others, the Neighborhood Access and Equity, Environmental Review Implementation Funds, and Low-Carbon Transportation Materials Grants under the Federal Highway Administration.

From here, the T&I Committee's work product will be combined with those of other committees and assembled by the House Rules Committee into a package – the “one big beautiful bill” President Trump has advocated. The Senate has yet to specify how it plans to advance this process but GOP leaders on both sides are committed to final passage of a package by July 4th.

Low-No Bus Grants in Limbo

Last month, this report pointed out that career staff at FTA had said that Low-No bus grant awards from FY 22-24 had been cleared for release and that a NOFO for fiscal year 2025 would be out on April 15. Now, reports are emerging that the Office of Management and Budget has intervened to put a hold on the execution of grants and the release of the NOFO. This development confirms a suspicion many observers have harbored that once the political team at DOT and OMB engaged on advancing this program, the environment would change.

In a related development, the Administration is expected to send to the Hill soon a package to rescind \$9 billion or more of already appropriated funds from a variety of programs. It is possible Low-No grants are being held up because they will be part of a rescission proposal.

New Deputies Appointed at Federal Transit and Federal Railroad Administrations

New Deputy Administrators at the Federal Transit and Federal Railroad Administrations are now in place.

At FTA, Tariq Bokari is the new #2. Mr. Bokari resigned a seat on the Charlotte City Council to take his new post. As a council member, Bokari was known as an advocate for highway improvements. He reached out to Elon Musk's Boring Company to explore the potential of using a series of tunnels to cure Charlotte's congestion problems. This was part of what he called a “disruptive innovation” approach to transportation.

The new Deputy at FRA is someone well known to the Washington, DC transportation community. He is Drew Feeley, the former Staff Director at the House Committee on Railroads, Pipelines and Hazardous

materials. Mr. Feeley is a confirmed Amtrak skeptic and has also been skeptical of federal investment in the California High Speed Rail project. His appointment, along with the previous appointment of Kyle Fields as chief counsel at FRA, means the key GOP rail staffers on Capitol Hill are now in the Administration. Their ability to work well as a team is already established.

Border Report

Tribal updates:

In Remembrance: Chairman Bo Mazzetti of the Rincon Band of Luiseño Indians

Chairman Mazzetti, a well-known tribal leader in San Diego and a founder of the Southern California Tribal Chairmen's Association (SCTCA), passed away on May 1, 2025. Chairman Mazzetti was a champion for tribal nations, especially those in California. He was elected Tribal Chairman in 2007 and served five consecutive terms, in addition to previous terms as Vice Chairman and Council Member. He was engaged with SANDAG since the inception of the Tribal Consultation Program more than 20 years ago and was present at the first Tribal Summit in 2002, helping to shape the Tribal Consultation Program in place today.

Chairman Mazzetti was a fierce advocate of tribal projects in the San Diego region, with his advocacy leading to many of the collaboration efforts in place now including the Intraregional Tribal Transportation Strategy and improvements to SR 76 and intersection improvements at I-8 at Willows Road.

He also served as President of the San Luis Rey Water Indian Water Authority, executive board member of the Southern California Tribal Chairman's Association (SCTCA), Honorary Chairman of the American Indian Alaska Native Veterans Memorial Committee where he helped raise funds for a memorial installation in Riverside National Cemetery, and an organizer of the California Native American Day in Sacramento, among other roles.

Viejas, Pala Tribes receive Community Air Grant program funding

[California awards record \\$20.9 million to expand community-led air monitoring and protection](#) — The California Air Resources Board (CARB) awarded a record \$20.9 million from the Community Air Grants program to 43 nonprofit community groups and four Tribes to carry out a total of 51 projects. Funded by cap-and-trade dollars, these projects support air monitoring and pollution reduction in California's most impacted regions. Viejas Band of Kumeyaay Indians (San Diego County), partnering with the Pala Band of Mission Indians, received \$357,554 to install air pollution sensors and conduct technical training for Tribal staff to increase local air monitoring capacity.

Interregional updates:

OCTA: Service Restored on LOSSAN Rail Corridor

In response to erosion and landslides affecting sections of the LOSSAN Rail Corridor between Dana Point and San Clemente, near San Diego, the Orange County Transportation Authority ([OCTA](#)) has undertaken critical repair efforts, with completion anticipated this month. OCTA has announced that passenger rail service, including Metrolink and Amtrak Pacific Surfliner, is scheduled to fully and safely resume through South Orange County on Saturday, June 7, following the planned completion of the initial phase of emergency work to stabilize the most vulnerable areas of the rail line in San Clemente. At the same time, OCTA continues to advance preliminary engineering and environmental studies and is exploring strategies to streamline permit coordination with state and federal regulatory agencies.

Border Report

Binational updates:

New United States Ambassador to Mexico confirmed

On April 9, 2025, the U.S. Senate confirmed Ronald D. Johnson as the new [United States Ambassador to Mexico](#). He officially began his tenure on May 19, 2025, upon presenting his credentials to President Claudia Sheinbaum. Ambassador Johnson brings a distinguished background in public service, having served as an officer in the U.S. Army, a senior member of the intelligence community, and most recently as the U.S. Ambassador to El Salvador.

Consulate General of Mexico in San Diego opens a new tourism office – *Ventana a México*

The Consulate General of Mexico in San Diego is making available to the community a new tool aimed at promoting tourism activities between both countries: [Ventana a México](#) (*A Window to Mexico*), a rotating space designed to showcase the attractions of various Mexican states and flagship projects such as the Maya Train, the Felipe Ángeles International Airport, and others. This initiative is being launched in anticipation of major upcoming tourism events, including the 2026 FIFA World Cup and the 2028 Olympic Games in Los Angeles.

Rosarito Desalination Plant

On April 30, 2025, the Director General of Mexico's National Water Commission (CONAGUA), Efraín Morales López, announced that, in accordance with Mexico's [National Water Plan](#), approximately \$1.1 billion will be invested in 2025 to start the implementation of [16 strategic water projects](#) across the country. He stated that this investment would allow construction of the Playas de Rosarito Desalination Plant to begin ahead of schedule, now planned to start in September of this year.

Mexican officials didn't clarify whether the plant's output will constitute an 'additional' water allocation for the Tijuana metropolitan area, nor about its post-use treatment and potential environmental impacts.

This announcement is significant in a regional context, as it aims to mitigate the effects of water cuts from the Colorado River and help avoid disputes under the 1944 Water Treaty.

AMENDED IN SENATE MAY 29, 2025

AMENDED IN SENATE MAY 23, 2025

AMENDED IN SENATE MARCH 25, 2025

AMENDED IN SENATE MARCH 13, 2025

SENATE BILL

No. 71

Introduced by Senator Wiener

(Coauthor: Senator Arreguín)

(Coauthors: Assembly Members Chen, Lee, and Ward)

January 14, 2025

An act to amend Sections ~~21080.20 and 21080.25~~ 21080.20, 21080.25, and 21168.6.9 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 71, as amended, Wiener. California Environmental Quality Act: exemptions: *environmental leadership* transit projects.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report 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. CEQA also 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.

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.

This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would also exempt a transit comprehensive operational analysis, as defined, a transit route readjustment, or other transit agency route addition, elimination, or modification, from the requirements of CEQA. Because a lead agency would be required to determine whether a plan qualifies for this exemption, the bill would impose a state-mandated local program.

CEQA, until January 1, 2030, exempts from its requirements certain transportation-related projects, such as pedestrian and bicycle facilities, transit prioritization projects, public projects located on a site that is wholly within the boundaries of an urbanized area or urban cluster, as provided, 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.

This bill would extend the operation of the above-mentioned exemption indefinitely and delete the requirement that specific projects be located on a site that is wholly within the boundaries of an urbanized area or urban cluster. The bill would exempt from the requirements of CEQA a public project for the improvement of bus rapid transit, bus, ~~microtransit, paratransit, passenger rail,~~ or light rail service, including the operation and maintenance, public projects for the improvement, institution, or increase of ~~shuttles and ferries, microtransit, paratransit, shuttle, and ferry,~~ and for the maintenance, construction, *operation*, or rehabilitation of stops that will be exclusively used by zero-emission, near-zero-emission, low oxide of nitrogen engine, compressed natural gas fuel, fuel cell, or hybrid powertrain vehicles, rail or cable cars, rolling stock, or ~~vessels, or certified Tier 4 or cleaner locomotives, as provided: vessels.~~ The bill would, until January 1, ~~2040, 2032,~~ exempt from the requirements of CEQA a public project for the improvement, institution, or increase of microtransit, paratransit, shuttle, bus, ferry,

bus rapid transit, ~~passenger rail~~, or light rail service, including the maintenance, construction, operation, or rehabilitation of stops, stations, terminals, or existing operations facilities, if used primarily by near-zero-emission, low oxide of nitrogen engine, compressed natural gas fuel, or hybrid powertrain vehicles, ~~or certified Tier 4 or cleaner locomotives~~, except as provided. The bill would exclude from this exemption certain public projects for the construction or rehabilitation of a ferry terminal, as provided, and, except as provided, public projects for transit services operated by a transportation network company, as defined. The bill would exempt a project carried out by a public transit agency conducted in compliance with specified regulations of the State Air Resources Board relating to commercial harbor craft and in-use locomotives. Because a lead agency would be required to determine whether a project qualifies for this exemption, the bill would impose a state-mandated local program.

Existing law exempts from the requirements of CEQA public projects for the institution or increase of passenger rail service, other than light rail service that is eligible for a specified exemption, including the construction or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission trains.

This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would exempt from the requirements of CEQA public projects for the improvement of passenger rail service, other than light rail service eligible for a specified exemption, including the maintenance of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission trains, public projects for the maintenance, construction, or rehabilitation of stations, terminals, or existing operations facilities which will be exclusively used by zero-emission certified Tier 4 or cleaner rolling stock or locomotives, as provided. The bill would, until January 1, 2040, exempt from the requirements of CEQA public projects for the maintenance, construction, or rehabilitation of stations, terminals, or existing operations facilities that will be used primarily by certified Tier 4 or cleaner rolling stock or locomotives that are not zero-emission rolling stock or locomotives. Because a lead agency would be required to determine whether a project qualifies for this exemption, the bill would impose a state-mandated local program.

Existing law requires ~~a certain CEQA-exempt project~~ projects exceeding specified dollar amounts to meet certain criteria, as provided.

This bill would instead require ~~a certain CEQA-exempt-project~~ projects that ~~is~~, are, based on the project engineer's cost estimate, anticipated to exceed a specified dollar amount, to meet certain criteria, as provided. The bill would require the Office of Land Use and Climate Innovation, beginning January 1, 2026, and every two years thereafter, to adjust these amounts to reflect changes in the Consumer Price Index, as provided, and publish the updated amounts on its internet website. *The bill would authorize the Office of Land Use and Climate Innovation to implement, interpret, or make specific that provision without taking any regulatory action.*

Existing law establishes specified procedures for the environmental review of an environmental leadership transit project, as defined, that is approved by the lead agency on or before January 1, 2025. Existing law requires the environmental leadership transit project to be located wholly within the County of Los Angeles or to connect to an existing transit project wholly located in the County of Los Angeles, and provides that these specified procedures are available for the first 7 projects that obtain a certified environmental impact report, as specified. Existing law requires the Judicial Council to adopt rules of court that apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification of an environmental impact report for an environmental leadership transit project or the granting of any project approval that require the action or proceeding, including any potential appeals, to be resolved, to the extent feasible, within 365 calendar days of the filing of the certified record of proceedings with the court. Existing law repeals these provisions on January 1, 2026.

This bill would, for the applicability of the above-described provisions for environmental leadership transit projects, extend the time period for the approval by the lead agency of the environmental leadership transit project to January 1, 2027. The bill would specify that those provisions also apply if the draft environmental impact report for an environmental leadership transit project is initially circulated before January 1, 2025. The bill would require the resolution of actions or proceeding brought to attack, review, set aside, void, or annul an action or approval of a public agency, including, but not limited to, a responsible agency and a trustee agency, in furtherance of an environmental leadership transit project on the grounds of noncompliance with any law, to be within 365 calendar days of the lodging of the certified record of proceeding, as provided, and would require the Judicial Council, by July 1, 2026, to adopt rules of court to

implement this requirement. The bill would extend the operation of these provisions indefinitely. Because the bill would extend the duties of a lead agency in regards to environmental leadership transit project, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21080.20 of the Public Resources Code
2 is amended to read:

3 21080.20. (a) (1) (A) This division does not apply to an active
4 transportation plan, a pedestrian plan, or a bicycle transportation
5 plan for the restriping of streets and highways, bicycle parking
6 and storage, signal timing to improve street and highway
7 intersection operations, and the related signage for bicycles,
8 pedestrians, and vehicles.

9 (B) This division does not apply to a transit comprehensive
10 operational analysis, transit route readjustment, or other transit
11 agency route addition, elimination, or modification.

12 (2) An active transportation plan or pedestrian plan is
13 encouraged to include the consideration of environmental factors,
14 but that consideration does not inhibit or preclude the application
15 of this section.

16 (3) An individual project that is a part of an active transportation
17 plan, pedestrian plan, or transit comprehensive operational analysis
18 remains subject to this division unless another exemption applies
19 to that project.

20 (b) Before determining that a project described in subdivision
21 (a) is exempt pursuant to this section, the lead agency shall hold
22 noticed public hearings in areas affected by the project to hear and
23 respond to public comments. Publication of the notice shall be no
24 fewer times than required by Section 6061 of the Government
25 Code by the public agency in a newspaper of general circulation
26 in the area affected by the proposed project. If more than one area

1 will be affected, the notice shall be published in the newspaper of
2 largest circulation from among the newspapers of general
3 circulation in those areas.

4 (c) If a local agency determines that a project is not subject to
5 this division pursuant to this section and it determines to approve
6 or carry out that project, the notice shall be filed with the Office
7 of Land Use and Climate Innovation and the county clerk in the
8 county in which the project is located in the manner specified in
9 subdivisions (b) and (c) of Section 21152.

10 (d) For purposes of this section, the following definitions apply:

11 (1) “Active transportation plan” means a plan developed by a
12 local jurisdiction that promotes and encourages people to choose
13 walking, bicycling, or rolling through the creation of safe,
14 comfortable, connected, and accessible walking, bicycling, or
15 rolling networks, and encourages alternatives to single-occupancy
16 vehicle trips.

17 (2) “Pedestrian plan” means a plan developed by a local
18 jurisdiction that establishes a comprehensive, coordinated approach
19 to improving pedestrian infrastructure and safety.

20 (3) “Transit comprehensive operational analysis” means a plan
21 that redesigns or modifies a transit operator’s or local agency’s
22 public transit service network, including the routing of fixed route
23 and microtransit services.

24 SEC. 2. Section 21080.25 of the Public Resources Code is
25 amended to read:

26 21080.25. (a) For purposes of this section, the following
27 definitions apply:

28 (1) “Affordable housing” means any of the following:

29 (A) Housing that is subject to a recorded covenant, ordinance,
30 or law that restricts rents or sales prices to levels affordable, as
31 defined in Section 50052.5 or 50053 of the Health and Safety
32 Code, to persons and families of moderate, lower, or very low
33 income, as defined in Section 50079.5, 50093, or 50105 of the
34 Health and Safety Code, respectively.

35 (B) Housing that is subject to any form of rent or price control
36 through a public entity’s valid exercise of its police power.

37 (C) Housing that had been occupied by tenants within five years
38 from the date of approval of the development agreement by a
39 primary tenant who was low income and did not leave voluntarily.

(2) “Bicycle facilities” includes, but is not limited to, bicycle parking, bicycle sharing facilities, and bikeways as defined in Section 890.4 of the Streets and Highways Code.

(3) “High-occupancy vehicle” means a vehicle with three or more occupants.

(4) “Highway” means a way or place of whatever nature, publicly maintained and open to the use of the public for purposes of vehicular travel. “Highway” includes a street.

(5) “Local agency” means a public transit operator, city, county, city and county, special district, joint powers authority, local or regional transportation agency, or congestion management agency.

(6) “Part-time transit lanes” means designated highway shoulders that support the operation of transit vehicles during specified times and are not open to nonpublic transit vehicles at any time.

(7) “Project labor agreement” has the same meaning as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(8) “Public transit operator” has the same meaning as “operator” in Section 99210 of the Public Utilities Code, or means a public entity that provides contracted paratransit services.

(9) “Skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(10) “Transit lanes” means street design elements that delineate space within the roadbed as exclusive to transit use, either full or part time.

(11) “Transit prioritization projects” means any of the following transit project types on highways or in the public right-of-way:

(A) Signal and sign changes, such as signal coordination, signal timing modifications, signal modifications, or the installation of traffic signs or new signals.

(B) The installation of wayside technology and onboard technology.

(C) The installation of ramp meters.

(D) The conversion to dedicated transit lanes, including transit queue jump or bypass lanes, shared turning lanes and turn restrictions, the narrowing of lanes to allow for dedicated transit lanes or transit reliability improvements, or the widening of existing transit travel lanes by removing or restricting street parking.

(E) Transit stop access and safety improvements, including, but not limited to, the installation of bus shelters, lighting, transit bulbs, and the installation of transit boarding landings and islands.

(12) “Transportation demand management program” means a specific program of strategies, incentives, and tools to be implemented, including, with specified annual status reporting obligations, to reduce vehicle trips by providing opportunities for the public to choose sustainable travel options, such as transit, bicycle riding, or walking. A specific program of strategies, incentives, and tools includes, but is not limited to, any of the following:

(A) Provision of onsite electric vehicle charging stations in excess of applicable requirements.

(B) Provision of dedicated parking for car share or zero-emission vehicles, or both types of vehicles, in excess of applicable requirements.

(C) Provision of bicycle parking in excess of applicable requirements.

(b) This division does not apply to any of the following projects:

(1) Pedestrian and bicycle facilities that improve safety, access, or mobility, including new facilities, within the public right-of-way.

(2) Projects that improve customer information and wayfinding for transit riders, bicyclists, or pedestrians within the public right-of-way.

(3) Transit prioritization projects.

(4) A project for the designation and conversion of general purpose lanes to high-occupancy vehicle lanes or bus-only lanes, or highway shoulders to part-time transit lanes, for use either during peak congestion hours or all day on highways with existing public transit service or where a public transit agency will be implementing public transit service as identified in a short-range transit plan.

(5) (A) A public project for the improvement, institution, or increase of microtransit, paratransit, shuttle, bus, ferry, bus rapid transit, ~~passenger rail~~, or light rail service, including the maintenance, construction, operation, or rehabilitation of stops, stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission, near-zero-emission, low oxide of nitrogen engine, compressed natural gas fuel, fuel cell, or hybrid powertrain vehicles, rail or cable cars, rolling stock, ~~vessels~~, or

~~certified Tier 4 or cleaner locomotives, as provided in Section 1033.101 of Title 40 of the Code of Federal Regulations. or vessels.~~

(B) A public project otherwise identified in subparagraph (A) shall not apply to the exemption pursuant to this paragraph after January 1, ~~2040~~, 2032, if used primarily by near-zero-emission, low oxide of nitrogen engine, compressed natural gas fuel, or hybrid powertrain ~~vehicles, or certified Tier 4 or cleaner locomotives, as provided in Section 1033.101 of Title 40 of the Code of Federal Regulations.~~ *vehicles*. This subparagraph shall not apply to a public project otherwise identified in subparagraph (A) used by articulated buses.

(C) A public project for the construction or rehabilitation of a ferry terminal that a lead agency has submitted a notice of preparation for an environmental impact report pursuant to Section 21092 before January 1, 2026, shall not apply to the exemption pursuant to this paragraph.

(D) A public project for transit services operated by a transportation network company, as defined in Section 5431 of the Public Utilities Code, shall not apply to the exemption pursuant to this paragraph, unless the services are operated by a microtransit provider contracted by the lead agency that uses a managed fleet of multipassenger vehicles dedicated to that service.

(6) (A) A public project for the ~~institution improvement, institution,~~ or increase of passenger rail service, other than light rail service eligible under paragraph (5), including the ~~construction maintenance, construction,~~ or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission ~~trains. trains or certified Tier 4 or cleaner rolling stock or locomotives, as provided in Section 1033.101 of Title 40 of the Code of Federal Regulations.~~

(B) A public project otherwise identified in subparagraph (A) shall not apply to the exemption pursuant to this paragraph after January 1, 2040, if used primarily by *certified Tier 4 or cleaner rolling stock or locomotives that are not zero-emission rolling stock or locomotives.*

(7) (A) A public project to construct or maintain infrastructure or facilities to charge, refuel, power, or maintain zero-emission public transit buses, trains, or ferries, provided the project is carried out by a public transit agency in compliance with, the State Air Resources Board's Innovative Clean Transit regulations (Article

1 4.3 (commencing with Section 2023) of Chapter 1 of Division 3
2 of Title 13 of the California Code of Regulations), the Commercial
3 Harbor Craft regulations (Article 4.3 (commencing with Section
4 2299.5) of Chapter 5.1 of Division 3 of Title 13 of the California
5 Code of Regulations and Article 4.3 (commencing with Section
6 93118.5) of Chapter 1 of Division 3 of Title 17 of the California
7 Code of Regulations), the In-Use Locomotive regulations (Article
8 8 (commencing with Section 2478) of Chapter 9 of Division 3 of
9 Title 13 of the California Code of Regulations), or any regulations
10 identified by the State Air Resources Board's 2020 Mobile Source
11 Strategy, adopted on October 28, 2021.

12 (B) A lead agency applying an exemption pursuant to this
13 paragraph for hydrogen refueling infrastructure or facilities
14 necessary to refuel or maintain zero-emission public transit buses,
15 trains, or ferries shall comply with clauses (i), (iii), and (iv) of
16 subparagraph (D) of, and with subparagraph (E) of, paragraph (1)
17 of subdivision (d).

18 (8) The maintenance, repair, relocation, replacement, or removal
19 of any utility infrastructure associated with a project identified in
20 paragraphs (1) to (7), inclusive.

21 (9) A project that consists exclusively of a combination of any
22 of the components of a project identified in paragraphs (1) to (8),
23 inclusive.

24 (10) A planning decision carried out by a local agency to reduce
25 or eliminate minimum parking requirements or institute parking
26 maximums, remove or restrict parking, or implement transportation
27 demand management requirements or programs.

28 (c) Except as provided in subdivision (g), a project exempt from
29 this division under this section shall meet all of the following
30 criteria:

31 (1) (A) A local agency is carrying out the project and is the
32 lead agency for the project.

33 (B) The lead agency shall take an action to approve a project
34 as follows:

35 (i) The lead agency's governing board shall take an action at a
36 public meeting.

37 (ii) Notwithstanding clause (i), if a lead agency has an alternative
38 project approval process for a project subject to subdivision (b),
39 it may instead follow that alternative process.

(2) The project does not induce single-occupancy vehicle trips, add additional highway lanes, widen highways, or add physical infrastructure or striping to highways except for minor modifications needed for the efficient and safe movement of transit vehicles, bicycles, or high-occupancy vehicles, such as extended merging lanes, shoulder improvements, or improvements to the roadway within the existing right-of-way. The project shall not include the addition of any auxiliary lanes.

(3) The construction of the project shall not require the demolition of affordable housing units.

(4) For a project subject to paragraphs (5) to (7), inclusive, of subdivision (b), the project shall be located within existing public right-of-way or existing highway right-of-way, whether or not the right-of-way is in use for rail or public mass transit, or an existing rail right-of-way, whether or not the right-of-way is in use for passenger rail transit, on property owned, leased, or operated by the local agency, or on property owned by a public or private utility.

(d) (1) A project that is exempt from this division under this section that is, based on the project engineer's cost estimate at the time the local agency takes an action pursuant to subparagraph (B) of paragraph (1) of subdivision (c), anticipated to exceed one hundred million dollars (\$100,000,000) shall also meet all of the following criteria:

(A) The project is incorporated in a regional transportation plan, sustainable communities strategy, general plan, or other plan that has undergone a programmatic-level environmental review pursuant to this division within 10 years of the approval of the project.

(B) The project's construction impacts are fully mitigated consistent with applicable law.

(C) (i) The lead agency shall complete and consider the results of a project business case and a racial equity analysis. The Office of Land Use and Climate Innovation may set guidelines for the project business case and the racial equity analysis or delegate that authority to metropolitan planning organizations.

(ii) The racial equity analysis required under this subparagraph shall identify the racial equity impacts of the project, identify who will benefit from and be burdened by the project, and, where

1 significant or disproportionate impacts exist, suggest strategies,
2 designs, or actions to mitigate those impacts.

3 (D) The lead agency shall hold noticed public meetings as
4 follows:

5 (i) Before determining that a project is exempt pursuant to this
6 section, the lead agency shall hold at least three noticed public
7 meetings in the project area to hear and respond to public
8 comments.

9 (ii) At least one of the three public meetings shall review the
10 project business case and the racial equity analysis. The review of
11 these documents does not inhibit or preclude application of this
12 section.

13 (iii) The lead agency shall conduct at least two noticed public
14 meetings annually during project construction for the public to
15 provide comments.

16 (iv) The public meetings held pursuant to clauses (i) to (iii),
17 inclusive, shall be in the form of either a public community
18 planning meeting held in the project area or in the form of a
19 regularly scheduled meeting of the governing body of the lead
20 agency.

21 (E) The lead agency shall give public notice of the meetings in
22 subparagraph (D) to the last known name and address of all the
23 organizations and individuals that have previously requested notice
24 and shall also give the general public notice using at least one of
25 the following procedures:

26 (i) Publication of the notice in a newspaper of general circulation
27 in the area affected by the project. If more than one area will be
28 affected, the notice shall be published in the newspaper of largest
29 circulation from among the newspapers of general circulation in
30 those areas.

31 (ii) Posting of the notice onsite and offsite in the area where the
32 project is located.

33 (iii) Posting of the notice on the lead agency's internet website
34 and social media accounts.

35 (2) In addition to the requirements of paragraph (1), for a project
36 described in that paragraph for which at least 50 percent of the
37 project or project's stops and stations are located in an area that is
38 at risk of residential displacement and that will have a maximum
39 of 15-minute peak headways, the local agency shall complete an
40 analysis of residential displacement and suggest antidisplacement

1 strategies, designs, or actions. For a project subject to this
2 paragraph, the lead agency shall define or identify areas at risk of
3 residential displacement.

4 (3) The amount in paragraph (1) shall be adjusted pursuant to
5 subdivision (j).

6 (e) (1) A project that is exempt from this division under this
7 section that is, based on the project engineer's cost estimate at the
8 time the local agency takes an action pursuant to subparagraph (B)
9 of paragraph (1) of subdivision (c), anticipated to exceed fifty
10 million dollars (\$50,000,000) shall also comply with clauses (i),
11 (iii), and (iv) of subparagraph (D) of, and with subparagraph (E)
12 of, paragraph (1) of subdivision (d).

13 (2) The amount in paragraph (1) shall be adjusted pursuant to
14 subdivision (j).

15 (f) (1) (A) Except as provided in subdivision (g), as part of the
16 lead agency's governing board action pursuant to subparagraph
17 (B) of paragraph (1) of subdivision (c), the lead agency shall certify
18 that the project will be completed by a skilled and trained
19 workforce.

20 (B) Subparagraph (A) does not apply if the lead agency has an
21 existing policy or certification approved by its governing board
22 that requires the use of a skilled and trained workforce to complete
23 the project if the lead agency is a signatory to a project labor
24 agreement that will require the use of a skilled and trained
25 workforce on the project.

26 (2) (A) Except as provided in subparagraph (B), for a project
27 that is exempted under this section, the lead agency shall not enter
28 into a construction contract with any entity unless the entity
29 provides to the lead agency an enforceable commitment that the
30 entity and its subcontractors at every tier will use a skilled and
31 trained workforce to perform all work on the project or a contract
32 that falls within an apprenticeship occupation in the building and
33 construction trades in accordance with Chapter 2.9 (commencing
34 with Section 2600) of Part 1 of Division 2 of the Public Contract
35 Code.

36 (B) Subparagraph (A) does not apply if any of the following
37 requirements are met:

38 (i) The lead agency has entered into a project labor agreement
39 that will bind all contractors and subcontractors performing work

1 on the project to use a skilled and trained workforce and the entity
2 has agreed to be bound by that project labor agreement.

3 (ii) The project or contract is being performed under the
4 extension or renewal of a project labor agreement that was entered
5 into by the lead agency before January 1, 2021.

6 (iii) The entity contracted to perform the project entered into a
7 project labor agreement that will bind the entity and all its
8 subcontractors at every tier performing the project to use a skilled
9 and trained workforce.

10 (g) Subdivisions (c) and (f) do not apply to a project described
11 in paragraph (10) of subdivision (b).

12 (h) If the lead agency determines that a project is not subject to
13 this division pursuant to this section, and the lead agency
14 determines to carry out that project, the lead agency shall file a
15 notice of exemption with the Office of Land Use and Climate
16 Innovation and the county clerk of the county in which the project
17 is located in the manner specified in subdivisions (b) and (c) of
18 Section 21152.

19 (i) (1) The amendments made to paragraph (5) of subdivision
20 (b) by Chapter 987 of the Statutes of 2022 (Senate Bill 922 of the
21 2021–22 Regular Session) may apply to projects for which a lead
22 agency has filed a notice of exemption under this section before
23 January 1, 2023.

24 (2) For projects for which a lead agency has filed a notice of
25 exemption under this section before January 1, 2023,
26 notwithstanding subdivision (d), as it read on December 31, 2022,
27 the lead agency may certify that the project will be completed by
28 a skilled and trained workforce after the granting of the exemption
29 under this section or the lead agency may demonstrate compliance
30 with subparagraph (B) of paragraph (1) of subdivision (f).

31 (j) (1) Beginning January 1, 2026, and every two years
32 thereafter, the Office of Land Use and Climate Innovation shall
33 adjust the amounts reflected in paragraph (1) of subdivision (c)
34 and paragraph (1) of subdivision (e) to reflect changes in the
35 Consumer Price Index, as indicated in the Consumer Price Index
36 for All Urban Consumers, as calculated by the Department of
37 Finance based on the United States Bureau of Labor Statistics data
38 for the most recent odd-numbered year, and publish the updated
39 amounts on its internet website.

(2) *Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the Office of Land Use and Climate Innovation may implement, interpret, or make specific this subdivision without taking any regulatory action.*

SEC. 3. *Section 21168.6.9 of the Public Resources Code is amended to read:*

21168.6.9. (a) For purposes of this section, the following definitions apply:

(1) “Environmental leadership transit project” or “project” means a project to construct a fixed guideway and related fixed facilities that meets all of the following conditions:

(A) The fixed guideway operates at zero emissions.

(B) (i) If the project is more than two miles in length, the project reduces emissions by no less than 400,000 metric tons of greenhouse gases directly in the corridor of the project defined in the applicable environmental document over the useful life of the project, without using offsets.

(ii) If the project is no more than two miles in length, the project reduces emissions by no less than 50,000 metric tons of greenhouse gases directly in the corridor of the project defined in the applicable environmental document over the useful life of the project, without using offsets.

(C) The project reduces no less than 30,000,000 vehicle miles traveled in the corridor of the project defined in the applicable environmental document over the useful life of the project.

(D) The project is consistent with the applicable sustainable communities strategy or alternative planning strategy.

(E) The project is consistent with the applicable regional transportation plan.

(F) The project applicant demonstrates how it has incorporated sustainable infrastructure practices to achieve sustainability, resiliency, and climate change mitigation and adaptation goals in the project, including principles, frameworks, or guidelines as recommended by one or more of the following:

(i) The sustainability, resiliency, and climate change policies and standards of the American Society of Civil Engineers.

(ii) The Envision Rating System of the Institute for Sustainable Infrastructure.

(iii) The Leadership in Energy and Environment Design (LEED) rating system of the United States Green Building Council.

(G) The environmental leadership transit project is located wholly within the County of Los Angeles or connects to an existing transit project wholly located in the County of Los Angeles.

(H) For a project meeting the requirements of subparagraphs (A) to (G), inclusive, for which the environmental review pursuant to this division has commenced before January 1, 2022, the project applicant demonstrates that the record of proceedings is being, or has been, prepared in accordance with subdivision (f).

(2) “Fixed guideway” has the same meaning as defined in Section 5302 of Title 49 of the United States Code.

(3) “Project applicant” means a public or private entity or its affiliates that proposes an environmental leadership transit project, and its successors, heirs, and assignees.

(4) “Project labor agreement” has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(5) “Skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(b) This section applies to an environmental leadership transit project if the project applicant does all of the following:

(1) The project applicant demonstrates compliance with the requirements of Chapter 12.8 (commencing with Section 42649) and Chapter 12.9 (commencing with Section 42649.8) of Part 3 of Division 30, as applicable.

(2) (A) Except as provided in subparagraph (B), the project applicant has entered into a binding and enforceable agreement that all mitigation measures required under this division shall be conditions of approval of the project, and those conditions will be fully enforceable by the lead agency or another agency designated by the lead agency. In the case of environmental mitigation measures, the project applicant agrees, as an ongoing obligation, that those measures will be monitored and enforced by the lead agency for the life of the obligation.

(B) For a project applicant that is a public agency and is also the lead agency, the public agency conditions the approval of the environmental leadership transit project on, and performs, all mitigation measures required under this division. In the case of

1 environmental mitigation measures, the public agency, as an
2 ongoing obligation, shall monitor those measures for the life of
3 the obligation.

4 (3) The project applicant agrees to pay the costs of the trial court
5 and the court of appeal in hearing and deciding any case
6 challenging a lead agency's action on an environmental leadership
7 transit project under this division, including payment of the costs
8 for the appointment of a special master if deemed appropriate by
9 the court, in a form and manner specified by the Judicial Council,
10 as provided in the California Rules of Court adopted by the Judicial
11 Council under subdivision (d).

12 (4) The project applicant agrees to bear the costs of preparing
13 the record of proceedings for the project concurrent with review
14 and consideration of the project under this division, in a form and
15 manner specified by the lead agency for the project.

16 (c) (1) (A) If the project applicant is a public agency, the
17 project applicant of an environmental leadership transit project
18 shall obtain an enforceable commitment that any bidder, contractor,
19 or other entity undertaking the project will use a skilled and trained
20 workforce to complete the project.

21 (B) Subparagraph (A) does not apply if either of the following
22 are met:

23 (i) The project applicant has entered into a project labor
24 agreement that will bind all contractors and subcontractors
25 performing work on the project to use a skilled and trained
26 workforce.

27 (ii) The bidder, contractor, or other entity has entered into a
28 project labor agreement that will bind all contractors and
29 subcontractors at every tier performing work on the project to use
30 a skilled and trained workforce.

31 (2) If the project applicant is a private entity, the project
32 applicant of an environmental leadership transit project shall do
33 both of the following:

34 (A) Certify to the lead agency that either of the following is
35 true:

36 (i) The entirety of the project is a public work for purposes of
37 Chapter 1 (commencing with Section 1720) of Part 7 of Division
38 2 of the Labor Code.

39 (ii) If the project is not in its entirety a public work and the
40 project applicant is not required to pay prevailing wages to all

1 construction workers under Article 2 (commencing with Section
2 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code, all
3 construction workers employed on construction of the project will
4 be paid at least the general prevailing rate of per diem wages for
5 the type of work and geographic area, as determined by the Director
6 of Industrial Relations pursuant to Sections 1773 and 1773.9 of
7 the Labor Code, except that apprentices registered in programs
8 approved by the Chief of the Division of Apprenticeship Standards
9 may be paid at least the applicable apprentice prevailing rate. If
10 the project is subject to this clause, then for those portions of the
11 project that are not a public work all of the following shall apply:

12 (I) The project applicant shall ensure that the prevailing wage
13 requirement is included in all contracts for the performance of all
14 construction work.

15 (II) All contractors and subcontractors at every tier shall pay to
16 all construction workers employed in the execution of the work at
17 least the general prevailing rate of per diem wages, except that
18 apprentices registered in programs approved by the Chief of the
19 Division of Apprenticeship Standards may be paid at least the
20 applicable apprentice prevailing rate.

21 (III) Except as provided in subclause (V), all contractors and
22 subcontractors at every tier shall maintain and verify payroll
23 records pursuant to Section 1776 of the Labor Code and make
24 those records available for inspection and copying as provided by
25 that section.

26 (IV) Except as provided in subclause (V), the obligation of the
27 contractors and subcontractors at every tier to pay prevailing wages
28 may be enforced by the Labor Commissioner through the issuance
29 of a civil wage and penalty assessment pursuant to Section 1741
30 of the Labor Code, which may be reviewed pursuant to Section
31 1742 of the Labor Code, within 18 months after the completion
32 of the project, or by an underpaid worker through an administrative
33 complaint or civil action, or by a joint labor-management
34 committee through a civil action under Section 1771.2 of the Labor
35 Code. If a civil wage and penalty assessment is issued, the
36 contractor, subcontractor, and surety on a bond or bonds issued to
37 secure the payment of wages covered by the assessment shall be
38 liable for liquidated damages pursuant to Section 1742.1 of the
39 Labor Code.

1 (V) Subclauses (III) and (IV) do not apply if all contractors and
2 subcontractors at every tier performing work on the project are
3 subject to a project labor agreement that requires the payment of
4 prevailing wages to all construction workers employed in the
5 execution of the project and provides for enforcement of that
6 obligation through an arbitration procedure.

7 (VI) Notwithstanding subdivision (c) of Section 1773.1 of the
8 Labor Code, the requirement that employer payments not reduce
9 the obligation to pay the hourly straight time or overtime wages
10 found to be prevailing shall not apply if otherwise provided in a
11 bona fide collective bargaining agreement covering the worker.
12 The requirement to pay at least the general prevailing rate of per
13 diem wages does not preclude use of an alternative workweek
14 schedule adopted pursuant to Section 511 or 514 of the Labor
15 Code.

16 (B) Certify to the lead agency that a skilled and trained
17 workforce will be used to perform all construction work on the
18 project. All of the following requirements shall apply to the project:

19 (i) The project applicant shall require in all contracts for the
20 performance of work that every contractor and subcontractor at
21 every tier will individually use a skilled and trained workforce to
22 construct the project.

23 (ii) Every contractor and subcontractor at every tier shall use a
24 skilled and trained workforce to construct the project.

25 (iii) (I) Except as provided in subclause (II), the project
26 applicant shall provide to the lead agency, on a monthly basis while
27 the project or contract is being performed, a report demonstrating
28 compliance with Chapter 2.9 (commencing with Section 2600) of
29 Part 1 of Division 2 of the Public Contract Code. A monthly report
30 provided to the lead agency pursuant to this subclause shall be a
31 public record under the California Public Records Act (Division
32 10 (commencing with Section 7920.000) of Title 1 of the
33 Government Code) and shall be open to public inspection. A
34 project applicant that fails to provide a monthly report
35 demonstrating compliance with Chapter 2.9 (commencing with
36 Section 2600) of Part 1 of Division 2 of the Public Contract Code
37 shall be subject to a civil penalty of ten thousand dollars (\$10,000)
38 per month for each month for which the report has not been
39 provided. Any contractor or subcontractor that fails to use a skilled
40 and trained workforce shall be subject to a civil penalty of two

1 hundred dollars (\$200) per calendar day for each worker employed
2 in contravention of the skilled and trained workforce requirement.
3 Penalties may be assessed by the Labor Commissioner within 18
4 months of completion of the project using the same procedures
5 for issuance of civil wage and penalty assessments pursuant to
6 Section 1741 of the Labor Code, and may be reviewed pursuant
7 to the same procedures in Section 1742 of the Labor Code.
8 Penalties shall be paid to the State Public Works Enforcement
9 Fund.

10 (II) Subclause (I) shall not apply if all contractors and
11 subcontractors at every tier performing work on the project are
12 subject to a project labor agreement that requires compliance with
13 the skilled and trained workforce requirement and provides for
14 enforcement of that obligation through an arbitration procedure.

15 (d) (I) On or before January 1, 2023, the Judicial Council shall
16 adopt rules of court that apply to any action or proceeding brought
17 to attack, review, set aside, void, or annul the certification of an
18 environmental impact report for an environmental leadership transit
19 project or the granting of any project approval that require the
20 action or proceeding, including any potential appeals to the court
21 of appeal or the Supreme Court, to be resolved, to the extent
22 feasible, within 365 calendar days of the filing of the certified
23 record of proceedings with the court.

24 (2) (A) *An action or proceeding brought to attack, review, set*
25 *aside, void, or annul an action or approval of a public agency,*
26 *including, but not limited to, a responsible agency and a trustee*
27 *agency, in furtherance of an environmental leadership transit*
28 *project on the grounds of noncompliance with any law, including*
29 *any potential appeals to the court of appeal or the Supreme Court,*
30 *shall be resolved, to the extent feasible, within 365 calendar days*
31 *of the filing of the certified record of proceedings for the*
32 *challenged action or approval. On or before July 1, 2026, the*
33 *Judicial Council shall adopt rules of court to implement this*
34 *subparagraph.*

35 (B) *Before the adoption of the rule of court pursuant to*
36 *subparagraph (A), the following apply to actions or proceedings*
37 *subject to this paragraph:*

38 (i) *The respondent public agency shall lodge with the court the*
39 *certified record of proceedings in electronic form within 10 days*
40 *of the service of the action or proceeding.*

1 (ii) (I) *Except as provided in subclause (II), the petitioner shall*
2 *file and serve its opening brief within 45 days of the lodging of the*
3 *certified record of proceedings.*

4 (ii) *If the petitioner filed and served the petition within 10 days*
5 *of the commencement of the relevant limitation period for the*
6 *action or proceeding, the opening brief shall be filed and served*
7 *within 55 days of the lodging of the certified record of proceeding.*

8 (iii) *The hearing on the merits shall be held, to the extent*
9 *feasible, within 100 days of the lodging of the certified record of*
10 *proceedings. This time period may be extended by stipulation of*
11 *the parties.*

12 (iv) *To the extent not inconsistent with clauses (i) to (iii),*
13 *inclusive, Division 22 (commencing with Rule 3.2200) of Title 3*
14 *of, and Chapter 1 (commencing with Rule 8.700) of Division 3 of*
15 *Title 8 of, the California Rules of Court shall apply to actions and*
16 *proceedings subject to this paragraph.*

17 (C) *For an action or proceeding brought, in calendar year 2025,*
18 *against an environmental leadership transit project approved in*
19 *that calendar year, this paragraph shall apply to the maximum*
20 *extent feasible.*

21 (e) (1) (A) *The draft and final environmental impact report for*
22 *an environmental leadership transit project shall include a notice*
23 *in not less than 12-point type stating the following:*
24

25 THIS ENVIRONMENTAL IMPACT REPORT IS SUBJECT
26 TO SECTION 21168.6.9 OF THE PUBLIC RESOURCES CODE,
27 WHICH PROVIDES, AMONG OTHER THINGS, THAT THE
28 LEAD AGENCY NEED NOT CONSIDER CERTAIN
29 COMMENTS FILED AFTER THE CLOSE OF THE PUBLIC
30 COMMENT PERIOD, IF ANY, FOR THE DRAFT
31 ENVIRONMENTAL IMPACT REPORT. ANY JUDICIAL
32 ACTION CHALLENGING THE CERTIFICATION OR
33 ADOPTION OF THE ENVIRONMENTAL IMPACT REPORT
34 OR THE APPROVAL OF THE PROJECT DESCRIBED IN
35 SECTION 21168.6.9 OF THE PUBLIC RESOURCES CODE IS
36 SUBJECT TO THE PROCEDURES SET FORTH IN THAT
37 SECTION. A COPY OF SECTION 21168.6.9 OF THE PUBLIC
38 RESOURCES CODE IS INCLUDED IN THE APPENDIX TO
39 THIS ENVIRONMENTAL IMPACT REPORT.
40

1 (B) For an environmental leadership transit project for which a
2 draft environmental impact report was issued before January 1,
3 2022, the lead agency shall, before February 1, 2022, or before
4 the public hearing on the certification of the environmental impact
5 report, whichever is earlier, provide the notice specified in
6 subparagraph (A), in writing, to all parties that have requested
7 notification regarding the project. The lead agency shall include
8 that notice and the appendix required pursuant to paragraph (2) in
9 the final environmental impact report for the project.

10 (C) For an environmental leadership transit project for which a
11 final environmental impact report was issued before January 1,
12 2022, the lead agency shall, before February 1, 2022, or before
13 the issuance of the notice of determination, whichever is earlier,
14 do both of the following:

15 (i) Issue an addendum to the final environmental impact report
16 containing the notice specified in subparagraph (A) and the
17 appendix required pursuant to paragraph (2).

18 (ii) Provide notice, in writing, of the addendum to all parties
19 that have requested notification regarding the project.

20 (2) The draft environmental impact report and final
21 environmental impact report shall contain, as an appendix, the full
22 text of this section.

23 (3) Within 10 calendar days after the release of the draft
24 environmental impact report, the lead agency shall conduct an
25 informational workshop to inform the public of the key analyses
26 and conclusions of that document, as applicable.

27 (4) Within 10 calendar days before the close of the public
28 comment period, the lead agency shall hold a public hearing to
29 receive testimony on the draft environmental impact report. A
30 transcript of the hearing shall be included as an appendix to the
31 final environmental impact report, as applicable.

32 (5) (A) Within five calendar days following the close of the
33 public comment period, a commenter on the draft environmental
34 impact report may submit to the lead agency a written request for
35 nonbinding mediation, as applicable. The lead agency shall
36 participate in nonbinding mediation with all commenters who
37 submitted timely comments on the draft environmental impact
38 report and who requested the mediation. Mediation conducted
39 pursuant to this paragraph shall end no later than 35 calendar days
40 after the close of the public comment period.

1 (B) A request for mediation shall identify all areas of dispute
2 raised in the comment submitted by the commenter that are to be
3 mediated.

4 (C) The lead agency shall select one or more mediators who
5 shall be retired judges or recognized experts with at least five
6 years' experience in land use and environmental law or science,
7 or mediation. The lead agency shall bear the costs of mediation.

8 (D) A mediation session shall be conducted on each area of
9 dispute with the parties requesting mediation on that area of
10 dispute.

11 (E) The lead agency shall adopt, as a condition of approval, any
12 measures agreed upon by the lead agency and any commenter who
13 requested mediation. A commenter who agrees to a measure
14 pursuant to this subparagraph shall not raise the issue addressed
15 by that measure as a basis for an action or proceeding challenging
16 the lead agency's decision to certify the environmental impact
17 report or to grant project approval.

18 (6) The lead agency need not consider written comments on the
19 draft environmental impact report submitted after the close of the
20 public comment period, unless those comments address any of the
21 following:

22 (A) New issues raised in the response to comments by the lead
23 agency.

24 (B) New information released by the lead agency subsequent
25 to the release of the draft environmental impact report, such as
26 new information set forth or embodied in a staff report, proposed
27 permit, proposed resolution, ordinance, or similar documents.

28 (C) Changes made to the project after the close of the public
29 comment period.

30 (D) Proposed conditions for approval, mitigation measures, or
31 proposed findings required by Section 21081 or a proposed
32 reporting or monitoring program required by paragraph (1) of
33 subdivision (a) of Section 21081.6, if the lead agency releases
34 those documents subsequent to the release of the draft
35 environmental impact report.

36 (E) New information that was not reasonably known and could
37 not have been reasonably known during the public comment period.

38 (7) The lead agency shall file the notice required by subdivision
39 (a) of Section 21152 within five calendar days after the last initial
40 project approval.

1 (f) (1) The lead agency shall prepare and certify the record of
2 proceedings in accordance with this subdivision and in accordance
3 with Rule 3.2205 of the California Rules of Court.

4 (2) No later than three business days following the date of the
5 release of the draft environmental impact report, the lead agency
6 shall make available to the public in a readily accessible electronic
7 format the draft environmental impact report and all other
8 documents relied on by the lead agency in the preparation of the
9 draft environmental impact report. A document prepared by the
10 lead agency after the date of the release of the draft environmental
11 impact report that is a part of the record of proceedings shall be
12 made available to the public in a readily accessible electronic
13 format within five business days after the document is prepared
14 by the lead agency.

15 (3) Notwithstanding paragraph (2), documents relied on by the
16 lead agency that were not prepared specifically for the project and
17 are copyright protected are not required to be made readily
18 accessible in an electronic format. For those copyright protected
19 documents, the lead agency shall make an index of the documents
20 available in an electronic format no later than the date of the release
21 of the draft environmental impact report, or within five business
22 days if the document is received or relied on by the lead agency
23 after the release of the draft environmental impact report. The
24 index shall specify the libraries or lead agency offices in which
25 hardcopies of the copyrighted materials are available for public
26 review.

27 (4) The lead agency shall encourage written comments on the
28 project to be submitted in a readily accessible electronic format,
29 and shall make any such comments available to the public in a
30 readily accessible electronic format within five calendar days of
31 their receipt.

32 (5) Within seven business days after the receipt of any comment
33 that is not in an electronic format, the lead agency shall convert
34 that comment into a readily accessible electronic format and make
35 it available to the public in that format.

36 (6) The lead agency shall indicate in the record of proceedings
37 comments received that were not considered by the lead agency
38 pursuant to paragraph (6) of subdivision (e) and need not include
39 the content of the comments as a part of the record of proceedings.

1 (7) Within five calendar days after the filing of the notice
2 required by subdivision (a) of Section 21152, the lead agency shall
3 certify the record of proceedings for the approval or determination
4 and shall provide an electronic copy of the record of proceedings
5 to a party that has submitted a written request for a copy. The lead
6 agency may charge and collect a reasonable fee from a party
7 requesting a copy of the record of proceedings for the electronic
8 copy, which shall not exceed the reasonable cost of reproducing
9 that copy.

10 (8) Within 10 calendar days after being served with a complaint
11 or a petition for a writ of mandate, the lead agency shall lodge a
12 copy of the certified record of proceedings with the superior court.

13 (9) Any dispute over the content of the record of proceedings
14 shall be resolved by the superior court. Unless the superior court
15 directs otherwise, a party disputing the content of the record of
16 proceedings shall file a motion to augment the record of
17 proceedings at the time it files its initial brief.

18 (10) The contents of the record of proceedings shall be as set
19 forth in subdivision (e) of Section 21167.6.

20 (g) ~~This~~ (1) *Except as provided in paragraph (2), this section*
21 *applies only to an environmental leadership transit project that in*
22 *either of the following circumstances:*

23 (A) *The project is initially approved by the lead agency on or*
24 *before January 1, 2025. 2027.*

25 (B) *The draft environmental impact report for the project is*
26 *initially circulated before January 1, 2025.*

27 (2) *Paragraph (1) does not apply to actions or proceedings*
28 *challenging an action taken by a public agency, including, but not*
29 *limited to, a responsible agency and trustee agency, on the grounds*
30 *of noncompliance with the law, after the initial approval by the*
31 *lead agency.*

32 (h) This section shall only apply to the first seven projects
33 obtaining a certified environmental impact report and meeting the
34 requirements of this section.

35 (i) ~~This section shall remain in effect only until January 1, 2026,~~
36 ~~and as of that date is repealed.~~

37 ~~SEC. 3.~~

38 *SEC. 4.* No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 a local agency or school district has the authority to levy service

- 1 charges, fees, or assessments sufficient to pay for the program or
- 2 level of service mandated by this act, within the meaning of Section
- 3 17556 of the Government Code.

O

AMENDED IN SENATE MAY 29, 2025

AMENDED IN SENATE MAY 28, 2025

AMENDED IN SENATE MAY 13, 2025

AMENDED IN SENATE APRIL 23, 2025

AMENDED IN SENATE APRIL 9, 2025

AMENDED IN SENATE MARCH 5, 2025

SENATE BILL

No. 79

Introduced by Senator Wiener

January 15, 2025

An act to add Chapter 4.1.5 (commencing with Section 65912.155) to Division 1 of Title 7 of the Government Code, and to add Section 21080.26.5 to the Public Resources Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 79, as amended, Wiener. Housing development: transit-oriented development: California Environmental Quality Act: public transit agency land.

(1) Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that contains certain mandatory elements, including a land use element and a housing element. Existing law requires that the land use element designate the proposed general distribution and general location and extent of the uses of the land, as specified. Existing law requires that the housing element consist of an identification and analysis of existing and projected housing needs and a statement of goals,

policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing, as specified. Existing law requires that the housing element include, among other things, an assessment of housing needs and an inventory of resources and constraints that are relevant to the meeting of these needs, including an inventory of land suitable for residential development, as provided. Existing law, for the 4th and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as specified, and requires the appropriate council of local governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each locality in the region.

Existing law, the Housing Accountability Act, among other things, requires a local agency that proposes to disapprove a housing development project, as defined, or to impose a condition that the project be developed at a lower density to base its decision on written findings supported by a preponderance of the evidence that specified conditions exist if that project complies with applicable, objective general plan, zoning, and subdivision standards and criteria in effect at the time that the application was deemed complete. The act authorizes the applicant, a person who would be eligible to apply for residency in the housing development project or emergency shelter, or a housing organization to bring an action to enforce the act's provisions, as provided, and provides for penalties if the court finds that the local agency is in violation of specified provisions of the act.

This bill would require that a housing development project, as defined, proposed within a specified distance of a transit-oriented development (TOD) stop, as defined, be an allowed use on any site zoned for residential, mixed, or commercial development, if the development complies with applicable requirements, as specified. The bill would establish requirements concerning height limits, density, and floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided. The bill would provide that, for the purposes of the Housing Accountability Act, a proposed development consistent with the applicable standards of these provisions shall be deemed consistent, compliant, and in conformity with prescribed requirements, as specified. The bill would provide that a local government that denies a project meeting the requirements of these provisions located in a

high-resource area, as defined, would be presumed in violation of the Housing Accountability Act, as specified, and immediately liable for penalties, as provided. The bill would specify that a development proposed pursuant to these provisions is eligible for streamlined, ministerial approval pursuant to specified law, except that the bill would exempt a project under these provisions from specified requirements, and would specify that the project is required to comply with certain affordability requirements, under that law.

This bill would require a proposed development to comply with specified requirements under existing law relating to the demolition of existing residential units and to include housing for lower income households, as specified. The bill would also authorize a transit agency to adopt objective standards for both residential and commercial development proposed pursuant to these provisions if the development would be constructed on land owned by the transit agency or on which the transit agency has a permanent operating easement, if the land is within $\frac{1}{2}$ mile of a TOD stop and the objective standards allow for the same or greater development intensity as allowed by local standards or applicable state law.

This bill would authorize a local government to enact a local TOD alternative plan as an amendment to the housing element and land use element, and would exempt a local government that has enacted a local TOD alternative plan from the above-specified provisions. The bill would require the plan to maintain at least the same total increase in feasible zoned capacity, in terms of both total units and residential floor area, as provided by these provisions across all TOD zones, as defined. The bill would require a local government, except as provided, to submit the draft plan to the department and would require the department to assess the plan and recommend changes to remove unnecessary constraints on housing.

This bill would require the Department of Housing and Community Development to oversee compliance with the bill's provisions, including, but not limited to, promulgating specified standards relating to the inventory of land included within a county's or city's housing element. The bill would authorize the regional council of governments or metropolitan planning organization to create a map of designated TOD stops and zones, which would have a rebuttable presumption of validity. The bill would authorize a local government to enact an ordinance to make its zoning code consistent with these provisions, as provided. The bill would require the local government to submit a copy of this

ordinance to the department within 60 days of enactment and would require the department to review the ordinance for compliance, as specified. If the department finds an ordinance is out of compliance, and the local government does not take specified steps to address compliance, the bill would require the department to notify the local government in writing and authorize the department to notify the Attorney General, as provided.

This bill would define various terms for its purposes and make related findings and declarations.

This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(2) Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report 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. CEQA also 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. CEQA, until January 1, 2030, exempts from its requirements certain transportation-related projects if specified requirements are met, as provided. CEQA includes within these exempt transportation-related projects a public project for the institution or increase of bus rapid transit, bus, or light rail service, or other passenger rail service, that will be exclusively used by low-emission or zero-emission vehicles, on existing public rights-of-way or existing highway rights-of-way.

This bill would exempt from CEQA a public or private residential, commercial, or mixed-used project that, at the time the project application is filed, is located entirely or principally on land owned by a public transit agency, or fully or partially encumbered by an existing operating easement in favor of a public transit agency, and meets specified requirements. The bill would provide that, for a project that requires the construction of new passenger rail storage and maintenance facilities at a publicly or privately owned offsite location distinct from the principal project site, that project would be considered a wholly

separate project from the project described in these provisions and shall not be exempt from CEQA.

(3) This bill would provide that the provisions of this bill are severable.

(4) By increasing the duties of local officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.1.5 (commencing with Section
2 65912.155) is added to Division 1 of Title 7 of the Government
3 Code, to read:

4
5 CHAPTER 4.1.5. TRANSIT-ORIENTED DEVELOPMENT
6

7 65912.155. The Legislature finds and declares all of the
8 following:

9 (a) California faces a housing shortage both acute and chronic,
10 particularly in areas with access to robust public transit
11 infrastructure.

12 (b) Building more homes near transit access reduces housing
13 and transportation costs for California families, and promotes
14 environmental sustainability, economic growth, and reduced traffic
15 congestion.

16 (c) Public transit systems require sustainable funding to provide
17 reliable service, especially in areas experiencing increased density
18 and ridership. The state does not invest in public transit service to
19 the same degree as it does in roads, and the state funds a smaller
20 proportion of the state's major transit agencies' operations costs
21 than other states with comparable systems. Transit systems in other
22 countries derive significant revenue from transit-oriented
23 development at and near their stations.

1 65912.156. For purposes of this chapter, the following
2 definitions apply:

3 (a) “Adjacent” means sharing a property line with a transit stop,
4 including any parcels that serve a parking or circulation purpose
5 related to the stop.

6 (b) “Commuter rail” means a rail transit service not meeting
7 the standards for heavy rail or light rail, excluding California
8 High-Speed Rail and Amtrak Long Distance Service.

9 (c) “Department” means the Department of Housing and
10 Community Development.

11 (d) “Frequent commuter rail” means a commuter rail service
12 with a total of at least 24 daily trains per weekday across both
13 directions and not meeting the standard for very high or
14 high-frequency commuter rail at any point in the past three years.

15 (e) “Heavy rail transit” means an electric railway with the
16 capacity for a heavy volume of traffic using high-speed and rapid
17 acceleration passenger rail cars operating singly or in multicar
18 trains on fixed rails, separate rights-of-way from which all other
19 vehicular and foot traffic are excluded, and high platform loading.

20 (f) “High-frequency commuter rail” means a commuter rail
21 service operating a total of at least 48 trains per day across both
22 directions at any point in the past three years.

23 (g) “High-resource area” means a highest resource or
24 high-resource neighborhood opportunity area, as used in the
25 opportunity area maps published annually by the California Tax
26 Credit Allocation Committee and the department.

27 (h) “Housing development project” has the same meaning as
28 defined in Section 65589.5.

29 (i) “Light rail transit” includes streetcar, trolley, and tramway
30 service.

31 (j) “Net habitable square footage” means the finished and heated
32 floor area fully enclosed by the inside surface of walls, windows,
33 doors, and partitions, and having a headroom of at least six and
34 one-half feet, including working, living, eating, cooking, sleeping,
35 stair, hall, service, and storage areas, but excluding garages,
36 carports, parking spaces, cellars, half-stories, and unfinished attics
37 and basements.

38 (k) “Rail transit” has the same meaning as defined in Section
39 99602 of the Public Utilities Code.

1 (l) “Residential floor area ratio” means the ratio of net habitable
2 square footage dedicated to residential use to the area of the lot.

3 (m) “Tier 1 transit-oriented development stop” means a
4 transit-oriented development stop within an urban transit county
5 served by heavy rail transit or very high frequency commuter rail.

6 (n) “Tier 2 transit-oriented development stop” means a
7 transit-oriented development stop within an urban transit county,
8 excluding a Tier 1 transit-oriented development stop, served by
9 light rail transit, by high-frequency commuter rail, or by bus service
10 meeting the standards of paragraph (1) of subdivision (a) of Section
11 21060.2 of the Public Resources Code.

12 (o) “Tier 3 transit-oriented development stop” means a
13 transit-oriented development stop within an urban transit county,
14 excluding a Tier 1 or Tier 2 transit-oriented development stop,
15 served by frequent commuter rail service or by ferry service; or
16 any transit-oriented development stop not within an urban transit
17 county; or any major transit stop otherwise so designated by the
18 applicable authority.

19 (p) “Transit-oriented development stop” means a major transit
20 stop, as defined by Section 21155 of the Public Resources Code,
21 served by heavy rail transit, very high frequency commuter rail,
22 high frequency commuter rail, light rail transit, bus service meeting
23 the standards of paragraph (1) of subdivision (a) of Section 21060.2
24 of the Public Resources Code, frequent commuter rail service, or
25 ferry service, or otherwise so designated by the applicable
26 authority.

27 (q) “Urban transit county” means a county with more than 15
28 rail stations.

29 (r) “Very high frequency commuter rail” means a commuter
30 rail service with a total of at least 72 trains per day across both
31 directions at any point in the past three years.

32 65912.157. (a) A housing development project within one-half
33 or one-quarter mile of a transit-oriented development stop shall
34 be an allowed use on any site zoned for residential, mixed, or
35 commercial development, if the development complies with the
36 applicable of all of the following requirements:

37 (1) For a residential development within one-quarter mile of a
38 Tier 1 transit-oriented development stop, all of the following apply:

39 (A) A development may be built up to 75 feet high, or up to the
40 local height limit, whichever is greater.

1 (B) A local government shall not impose any maximum density
2 of less than 120 dwelling units per acre. The development
3 proponent may seek a further increased density in accordance with
4 applicable density bonus law.

5 (C) A local government shall not enforce any other local
6 development standard or combination of standards that would
7 prevent achieving a residential floor area ratio of up to 3.5.

8 (D) A development that otherwise meets the eligibility
9 requirements of Section 65915, including, but not limited to,
10 affordability requirements, shall be eligible for three additional
11 concessions pursuant to Section 65915.

12 (2) For a residential development further than one-quarter mile
13 but within one-half mile of a Tier 1 transit-oriented development
14 stop, all of the following apply:

15 (A) A development may be built up to 65 feet high, or up to the
16 local height limit, whichever is greater.

17 (B) A local government shall not impose any maximum density
18 standard of less than 100 dwelling units per acre. The development
19 proponent may seek a further increased density in accordance with
20 applicable density bonus law.

21 (C) A local government shall not enforce any other local
22 development standard or combination of standards that would
23 prevent achieving a residential floor area ratio of up to 3.

24 (D) A development that otherwise meets the eligibility
25 requirements of Section 65915, including, but not limited to,
26 affordability requirements, shall be eligible for two additional
27 concessions pursuant to Section 65915.

28 (3) For a residential development within one-quarter mile of a
29 Tier 2 transit-oriented development stop, all of the following apply:

30 (A) A development may be built up to 65 feet high, or up to the
31 local height limit, whichever is greater.

32 (B) A local government shall not impose any maximum density
33 standard of less than 100 dwelling units per acre. The development
34 proponent may seek a further increased density in accordance with
35 applicable density bonus law.

36 (C) A local government shall not enforce any other local
37 development standard or combination of standards that would
38 prevent achieving a residential floor area ratio of up to 3.

39 (D) A development that otherwise meets the eligibility
40 requirements of Section 65915, including, but not limited to,

1 affordability requirements, shall be eligible for two additional
2 concessions pursuant to Section 65915.

3 (4) For a residential development further than one-quarter mile
4 but within one-half mile of a Tier 2 transit-oriented development
5 stop, all of the following apply:

6 (A) A development may be built up to 55 feet high, or up to the
7 local height limit, whichever is greater.

8 (B) A local government shall not impose any maximum density
9 standard of less than 80 dwelling units per acre. The development
10 proponent may seek a further increased density in accordance with
11 applicable density bonus law.

12 (C) A local government shall not enforce any other local
13 development standard or combination of standards that would
14 prevent achieving a residential floor area ratio of up to 2.5.

15 (D) A development that otherwise meets the eligibility
16 requirements of Section 65915, including, but not limited to,
17 affordability requirements, shall be eligible for one additional
18 concession pursuant to Section 65915.

19 (5) For a residential development within one-quarter mile of a
20 Tier 3 transit-oriented development stop, all of the following apply:

21 (A) A development may be built up to 55 feet high, or up to the
22 local height limit, whichever is greater.

23 (B) A local government shall not impose any maximum density
24 standard of less than 80 dwelling units per acre. The development
25 proponent may seek a further increased density in accordance with
26 applicable density bonus law.

27 (C) A local government shall not enforce any other local
28 development standard or combination of standards that would
29 prevent achieving a residential floor area ratio of up to 2.5.

30 (D) A development that otherwise meets the eligibility
31 requirements of Section 65915, including, but not limited to,
32 affordability requirements, shall be eligible for one additional
33 concession pursuant to Section 65915.

34 (6) For a residential development further than one-quarter mile
35 but within one-half mile of a Tier 3 transit-oriented development
36 ~~stop within an urban transit county~~, stop, all of the following apply:

37 (A) A development *within an urban transit county* may be built
38 up to 45 feet high, or up to the local height limit, whichever is
39 greater. *A development not within an urban transit county may be*
40 *built up to the local height limit.*

1 (B) A local government shall not impose any maximum density
2 standard of less than 60 dwelling units per acre. The development
3 proponent may seek a further increased density in accordance with
4 applicable density bonus law.

5 (C) A local government shall not enforce any other local
6 development standard or combination of standards that would
7 prevent achieving a residential floor area ratio of up to 2.

8 (b) A local government may still enact and enforce standards,
9 including an inclusionary zoning requirement that applies generally
10 within the jurisdiction, that do not, alone or in concert, prevent
11 achieving the applicable development standards of subdivision
12 (a).

13 (c) If a development proposes a height under this section in
14 excess of the local height limit, then a local government shall not
15 be required to grant a waiver, incentive, or concession pursuant to
16 Section 65915 for additional height beyond that specified in this
17 section, except as provided in subparagraph (D) of paragraph (2)
18 of subdivision (d) of Section 65915.

19 (d) Notwithstanding any other law, a housing development
20 project that meets any of the eligibility criteria under subdivision
21 (a) and is immediately adjacent to a Tier 1, Tier 2, or Tier 3
22 transit-oriented development stop shall be eligible for an adjacency
23 intensifier to increase the height limit by an additional 20 feet, the
24 maximum density standard by an additional 40 dwelling units per
25 acre, and the residential floor area ratio by 1.

26 (e) A development proposed pursuant to this section shall
27 comply with the antidisplacement requirements of Section 66300.6.
28 This subdivision shall apply to any city or county.

29 (f) A development proposed pursuant to this section shall include
30 housing for lower income households in one of the following ways:

31 (1) If there is a local inclusionary zoning ordinance or affordable
32 housing fee, it shall comply with the requirements of that ordinance
33 or fee.

34 (2) (A) If there is no local inclusionary ordinance or affordable
35 housing fee, a development of more than 10 units shall meet the
36 requirements to qualify for a density bonus pursuant to subdivision
37 (b) of Section 65915 or a local ordinance.

38 (B) This paragraph shall not apply to any development of 10
39 units or less.

(g) For purposes of subdivision (j) of Section 65589.5, a proposed housing development project that is consistent with the applicable standards from this chapter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision. This subdivision shall not require a ministerial approval process or modify the requirements of Division 13 (commencing with Section 21000) of the Public Resources Code.

(h) A local government that denies a housing development project meeting the requirements of this section that is located in a high-resource area shall be presumed to be in violation of the Housing Accountability Act (Section 65589.5) and immediately liable for penalties pursuant to subparagraph (B) of paragraph (1) of subdivision (k) of Section 65589.5, unless the local government demonstrates, pursuant to the standards in subdivisions (j) and (o) of Section 65589.5, that it has a health, life, or safety reason for denying the project.

65912.158. (a) Notwithstanding any other provision of this chapter, a transit agency may adopt objective standards for both residential and commercial developments proposed to be constructed on land owned by the transit agency or on which the transit agency has a permanent operating easement, if the land is within one-half mile of a transit-oriented development stop and the objective standards allow for the same or greater development intensity as that allowed by local standards or applicable state law.

(b) The board of a transit agency may vote to designate a major transit stop served by the agency as a Tier 3 transit-oriented development stop for the purposes of this section.

65912.159. (a) A housing development project proposed pursuant to Section 65912.157 shall be eligible for streamlined ministerial approval pursuant to Section 65913.4 in accordance with all of the following:

(1) The proposed project shall be exempt from subparagraph (A) of paragraph (4) of, paragraph (5) of, and clause (iv) of subparagraph (A) of paragraph (6) of, subdivision (a) of Section 65913.4.

(2) The proposed project shall comply with the affordability requirements in subclauses (I) to (III), inclusive, of clause (i) of subparagraph (B) of paragraph (4) of subdivision (a) of Section 65913.4.

(3) The proposed project shall comply with all other requirements of Section 65913.4, including, but not limited to, the prohibition against a site that is within a very high fire hazard severity zone, pursuant to subparagraph (D) of paragraph (6) of subdivision (a) of Section 65913.4.

(b) Any housing development proposed pursuant to Section 65912.157 not seeking streamlined approval under Section 65913.4 shall be reviewed according to the jurisdiction's development review process and Section 65589.5, except that any local zoning standard conflicting with the requirements of this chapter shall not apply.

65912.160. (a) The department shall oversee compliance with this chapter, including, but not limited to, promulgating standards on how to account for capacity pursuant to this chapter in a city or county's inventory of land suitable for residential development, pursuant to Section 65583.2.

(b) The regional council of governments or metropolitan planning organization may create a map of transit-oriented development stops and zones designated under this chapter. This map shall have a rebuttable presumption of validity for use by project applicants and local governments.

(c) (1) A local government may enact an ordinance to make its zoning code consistent with the provisions of this chapter, subject to review by the department pursuant to paragraph (3).

(2) The ordinance described in paragraph (1) shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(3) (A) A local government shall submit a copy of any ordinance enacted pursuant to this section to the department within 60 days of enactment.

(B) Upon receipt of an ordinance pursuant to this paragraph, the department shall review that ordinance and determine whether it complies with this section. If the department determines that the ordinance does not comply with this section, the department shall notify the local government in writing and provide the local government a reasonable time, not to exceed 30 days, to respond before taking further action as authorized by this section.

(C) The local government shall consider any findings made by the department pursuant to subparagraph (B) and shall do one of the following:

1 (i) Amend the ordinance to comply with this section.

2 (ii) Enact the ordinance without changes. The local government
3 shall include findings in its resolution adopting the ordinance that
4 explain the reasons the local government believes that the
5 ordinance complies with this section despite the findings of the
6 department.

7 (D) If the local government does not amend its ordinance in
8 response to the department's findings or does not adopt a resolution
9 with findings explaining the reason the ordinance complies with
10 this section and addressing the department's findings, the
11 department shall notify the local government and may notify the
12 Attorney General that the local government is in violation of this
13 section.

14 65912.161. (a) A local government may enact a local
15 transit-oriented development alternative plan as an amendment to
16 the housing element and land use element of its general plan,
17 subject to review by the department.

18 (1) (A) A local transit-oriented development alternative plan
19 shall maintain at least the same total increase in feasible zoned
20 capacity, in terms of both total units and residential floor area, as
21 provided for in this chapter across all transit-oriented development
22 zones within the jurisdiction.

23 (i) The plan shall not reduce the capacity in any station area, in
24 total units or residential floor area, by more than 50 percent.

25 (ii) The plan shall not reduce the allowed density for any
26 individual site allowing residential use by more than 50 percent
27 below that permitted under this chapter.

28 (iii) A site's maximum feasible capacity counted toward the
29 plan shall be not more than 200 percent of the maximum density
30 established under this chapter.

31 (B) For the purposes of this paragraph, both of the following
32 definitions apply:

33 (i) "Feasible" means capable of being accomplished in a
34 successful manner within a reasonable period of time, taking into
35 account economic, environmental, social, and technological factors.

36 (ii) "Transit-oriented development zone" means the eligible
37 area around a qualifying transit-oriented development stop.

38 (2) A local transit-oriented development alternative plan may
39 designate any other major transit stop or stop along a high-quality
40 transit corridor that is not already identified as a transit-oriented

1 development stop as a Tier 3 transit-oriented development stop.
2 A local transit-oriented development plan consisting solely of
3 adding additional major transit stops as transit-oriented
4 development stops shall be exempt from the requirements of
5 paragraph (4).

6 (3) A local transit-oriented development alternative plan may
7 consist of an existing local transit-oriented zoning ordinance,
8 overlay zone, specific plan, or zoning incentive ordinance, provided
9 that it applies to all residential properties within the transit-oriented
10 development area and provides at least the same total feasible
11 capacity for units and floor area as Section 65912.157.

12 (4) Prior to enacting a local transit-oriented development
13 alternative plan, the local government shall submit the draft plan
14 to the department for review. The submission shall include any
15 amendments to the local zoning ordinances, any applicable
16 objective design standards that would apply to transit-oriented
17 developments, and assessments of the plan's impact on
18 development feasibility and fair housing. The department shall
19 assess whether the plan maintains at least an equal feasible
20 developable housing capacity as the baseline established under
21 this section as well as the plan's effects on fair housing relative to
22 the baseline established under this section, and shall recommend
23 changes to remove unnecessary constraints on housing from the
24 plan.

25 (b) Section 65912.157 shall not apply within a jurisdiction that
26 has a local transit-oriented alternative plan that has been approved
27 by the department as satisfying the requirements of this section in
28 effect. The department's approval pursuant to this subdivision
29 shall be valid through the jurisdiction's next amendment to the
30 housing element of its general plan.

31 65912.162. The Legislature finds and declares that the state
32 faces a housing crisis of availability and affordability, in large part
33 due to a severe shortage of housing, and solving the housing crisis
34 therefore requires a multifaceted, statewide approach, including,
35 but not limited to, encouraging an increase in the overall supply
36 of housing, encouraging the development of housing that is
37 affordable to households at all income levels, removing barriers
38 to housing production, expanding homeownership opportunities,
39 and expanding the availability of rental housing, and is a matter
40 of statewide concern and is not a municipal affair as that term is

1 used in Section 5 of Article XI of the California Constitution.
2 Therefore, this chapter applies to all cities, including charter cities.

3 SEC. 2. Section 21080.26.5 is added to the Public Resources
4 Code, to read:

5 21080.26.5. (a) For the purposes of this section, “public
6 project” means a project constructed by either a public agency or
7 private entity, that, upon the completion of the construction, will
8 be operated by a public agency.

9 (b) This division shall not apply to a public or private residential,
10 commercial, or mixed-use project that, at the time the project
11 application is filed, is located entirely or principally on land owned
12 by a public transit agency, or fully or partially encumbered by an
13 existing operating easement in favor of a public transit agency,
14 and that includes at least one of the following:

15 (1) A project component identified in paragraphs (1) to (5),
16 inclusive, or paragraph (7) of subdivision (b) of Section 21080.25.

17 (2) A public project for passenger rail service facilities, other
18 than light rail service eligible under paragraph (5) of subdivision
19 (b) of Section 21080.25, including the construction,
20 reconfiguration, or rehabilitation of stations, terminals, rails,
21 platforms, or existing operations facilities, which will be
22 exclusively used by zero-emission or electric trains. The project
23 shall be located on land owned by a public transit agency, or land
24 fully or partially encumbered by an existing operating easement
25 in favor of a public transit agency, at the time the project
26 application is filed.

27 (3) An agreement between the project applicant and public
28 transit agency that owns the land or has the permanent operating
29 easement to finance transit capital infrastructure, transit
30 maintenance, or transit operations, including through a proposed
31 public financing district, community financing district, or tax
32 increment generated by the project.

33 (c) If the project described in paragraph (1) of subdivision (b)
34 is located on land fully or partially encumbered by an existing
35 operating easement in favor of a public transit agency at the time
36 the project application is filed, the transit agency, the grantor of
37 the easement, and all fee owners of the property encumbered by
38 the easement must sponsor or consent to the application. Nothing
39 in this section shall be interpreted to authorize a transit agency to
40 construct a project described in paragraph (1) of subdivision (b)

1 unless permitted by its operating easement or unless the easement
2 is terminated, in each case prior to the commencement of
3 construction.

4 (d) If a project described in subdivision (b) requires the
5 construction of new passenger rail storage and maintenance
6 facilities at a publicly or privately owned offsite location distinct
7 from the principal project site, then that project shall be considered
8 a wholly separate project from the project described in subdivision
9 (b) and shall not be exempt from this division. Any required
10 environmental review shall not affect or render invalid the
11 exemption provided in subdivision (b), regardless of whether the
12 project described in subdivision (b) cannot proceed unless the
13 offsite facilities are constructed.

14 SEC. 3. The provisions of this act are severable. If any
15 provision of this act or its application is held invalid, that invalidity
16 shall not affect other provisions or applications that can be given
17 effect without the invalid provision or application.

18 SEC. 4. No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 a local government or school district has the authority to levy
21 service charges, fees, or assessments sufficient to pay for the
22 program or level of service mandated by this act, within the
23 meaning of Section 17556 of the Government Code.