

Key 2025 CEQA Updates for Residential Developers: Extended Exemption and Streamlining Options

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Key Points:

- Several new laws, effective January 1, 2025, extend and modify pre-existing CEQA exemptions or streamlining pathways for housing projects.
- AB 1413 clarifies the public review period required for housing projects pursuing streamlined CEQA processes under AB 1633.
- AB 1395 extends CEQA exemptions for homeless shelter projects, and expands streamlining options for “tiny home” projects.
- AB 2199 extends the CEQA exemption for infill housing projects in unincorporated county areas.
- SB 312 provides a more flexible CEQA exemption for university-owned housing projects constructed to meet LEED Platinum standards.

The California Environmental Quality Act (CEQA) has long been a cornerstone of environmental oversight in the state, but its rigorous environmental review process often poses an obstacle to housing projects leading to potentially lengthy delays, increased project costs, and potential legal challenges.

In recent years, the California Legislature has explored the use of CEQA exemptions and streamlining to help ease potential obstacles to much needed housing projects. Recent bills allow certain projects – especially those that meet certain priority criteria, such as affordable housing, infill development, or developments near housing – to avoid the extensive environmental review process, expediting approval and construction.

In the 2024 Legislative Session, lawmakers extended and modified several CEQA exemptions or streamlining pathways for housing projects that had been established in prior years. Below is an overview of the most relevant CEQA bills which took effect on January 1, 2025, and how they may

impact your projects going forward.

AB 1413: Clarification on Public Review Period Prior to AB 1633 CEQA Determinations

AB 1413 clarifies provisions of the landmark AB 1633, which went into effect last year and extends the protections of the Housing Accountability Act (HAA) to impose penalties on local governments that fail to comply with certain timelines for CEQA determinations or make appropriate CEQA exemption, negative declaration or addendum determinations for infill housing projects. For more information on AB 1633, please see [Hanson Bridgett's previous alert on the topic](#).

AB 1413 keeps AB 1633's tight CEQA determination deadlines while clarifying the level of public notice that a city and county must provide before making any CEQA determination for an eligible infill housing project. Under AB 1413, after a project applicant has provided an agency with written notice about a project's eligibility for a CEQA exemption, negative declaration or addendum, the local agency is required to post said notice on its website, file it with the county clerk within five working days, and provide copies to certain individuals as required under CEQA. AB 1413 further mandates a minimum public review and comment period of 60 days following receipt of the applicant's notice, and requires that the agency consider any objections, comments, evidence, or concerns received during said period before issuing a final written response to the project applicant's notice. The public comment period notwithstanding, the local agency must still comply with the 90- or 180-day final written response deadline imposed by AB 1633.

By clarifying the public review required prior to AB 1633 determinations, while maintaining the strict timelines imposed on local agencies, AB 1413 provides clearer guidelines for local agencies, benefiting developers by improving predictability and transparency of the approval process.

SB 1395: Expanded Streamlining and Exemptions for Homeless Shelters and Tiny Home Low Barrier Navigation Centers

SB 1395 aims to support housing and services for individuals experiencing homelessness by expanding the applicability of Government Code section 65662, which mandates by right approval, with no CEQA review, of the proposed development of Low Barrier Navigation Centers (low barrier, service-enriched temporary shelters focused on moving people into permanent housing) in mixed-use zones and non-residential zones that permit multi-family uses. SB 1395 specifically expands the definition of Low Barrier Navigation Centers to include centers composed of relocatable, single-room housing, often colloquially referred to as "tiny homes."

SB 1395 also expands CEQA exemptions for local agency actions supporting homeless shelters and Low Barrier Navigation Centers from 2026 until 2036. This bill not only continues to exempt the

leasing of government land for such projects from CEQA's cumbersome environmental review process, but also broadens the exemption to include local agency actions to approve service contracts associated with these shelters, otherwise financially support such projects, or construct certain projects themselves. This change enables cities and counties to expedite support services as well as the physical structures of these facilities.

For developers and local agencies working on homelessness and transitional housing, SB 1395 significantly reduces the regulatory hurdles, creating a more straightforward pathway for projects aimed at serving the state's most vulnerable populations.

AB 2199: Continued Exemption for Infill Housing in Unincorporated Areas

AB 2199 extends the CEQA infill exemption for residential and mixed-use housing projects located in unincorporated county areas of California, set to expire in 2025, until 2032. Under the pre-existing exemption, qualifying multifamily housing developments of six or more units in rural or unincorporated county areas are exempt from CEQA, provided they meet certain requirements, such as general plan consistency, density requirements, proximity to existing qualified urban uses, and less than significant impacts relating to transportation, noise, air quality, greenhouse gas emissions, or water quality. While the exemption extension makes it easier for developers to build certain projects in these areas, the bill also adds a new criteria for qualification: the project may not cause a substantial adverse impact to Tribal cultural resources.

These new bills introduce important pathways for developers seeking to navigate California's complex regulatory environment more efficiently. By taking advantage of the exemptions and streamlined process offered by these bills, developers can potentially save time and reduce costs on eligible projects. However, the specific criteria and conditions attached to each bill mean that compliance can still be nuanced. If you have any questions about how these changes might impact your projects or need guidance on navigating CEQA requirements, please reach out to our team.

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