Panelists

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Author

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Reviewer

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Reviewer

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Reviewer
Overview

1. CEQA Process
2. Summary of CEQA Lawsuits
3. CEQA and Housing Production
4. Cost of CEQA Compliance
5. CEQA’s Effect on CA Prosperity & Sustainability
6. CEQA and Environmental Justice
7. CEQA and Climate Change
Study Questions

To address common critiques of CEQA, the following questions were analyzed:

- How frequent is CEQA litigation?
- How does CEQA affect housing production in California?
- What are the direct costs of CEQA compliance?
- Has CEQA constrained the state’s economic prosperity or its ability to develop in a sustainable way?
- Is CEQA an effective tool in combatting the problems of environmental injustice and climate change?
Study Methodologies

Study is data-driven to the extent possible.

- **Literature Review** of empirical studies
- **Primary research** and/or quantitative analysis of reliable published data for:
  - CEQA lawsuits and litigation rates
  - Housing production in California
  - Use of SB35 for housing production
  - Economic prosperity metrics
  - Sustainable development metrics
- **Case study** research for:
  - Costs associated with CEQA review
  - Use of CEQA to address environmental injustice and climate change
CEQA requires a process of environmental review

CEQA studies projects, evaluates environmental impacts, incorporates public and agency comments, and mitigates significant impacts

CEQA does not involve an approval/disapproval of land use decision

CEQA usually results in a better project

CEQA is a “living law,” adaptable to changing science and issues of concern (e.g., climate change)
CEQA Litigation
Total Number of CEQA Lawsuit Filings
2002 - 2019
Avg = 195/year

Sources: Lawsuits from CA Attorney General as published in various studies (see footnote 9). Population from State Department of Finance; The Housing Workshop 2021.
How Common are CEQA Lawsuits?

Litigation Rate
CEQA Lawsuits as % of Total Projects with CEQA Review Documents
2013-2019

- Lawsuits Re: CEQA Review Documents
- Total CEQA Projects with Review Documents (estimated)

2%
98%
CEQA & Housing
Factors Affecting Housing Production
From 2022 Statewide Housing Plan

- Historical patterns of housing segregation and exclusion
- Insufficient land zoned and available for housing
- High costs continue to constrain new housing production
- Federal support has not kept up with need
- Expiring subsidies create potential loss of affordable homes
- Affordable production constrained by financing limitations
- Opposition to neighborhood change
- Numerous, varied, and opaque regulatory hurdles
Streamlining: San Francisco Case Study of CEQA Review for Housing
Multifamily Projects 2018 - 2020

<table>
<thead>
<tr>
<th>Project Applications (a)</th>
<th>EIR</th>
<th>MND</th>
<th>Categorical Exemption (b)</th>
<th>Community/Specific Plan</th>
<th>Infill</th>
<th>SB 35</th>
<th>AB 83 (c)</th>
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<table>
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<th>Number of Units</th>
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<td>915</td>
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<td>Affordable Units</td>
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<td>459</td>
<td>581</td>
<td>1,519</td>
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<td>Total All Units</td>
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<td>176</td>
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<td>2,480</td>
<td>1,496</td>
<td>1,657</td>
<td>232</td>
<td>8,324</td>
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a) For multifamily projects with 5+ units
b) CEQA Guidelines §15301-15333
c) Homeless- COVID exemption

Sources: City and County of San Francisco; The Housing Workshop, 2021.
Streamlining: Santa Barbara County & Town of Truckee Case Studies
Multifamily Projects with 5+ Units, 2018 - 2020

### County of Santa Barbara

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<tr>
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<th>EIR (a)</th>
<th>SB 35</th>
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**Number of Units**

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<tr>
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</table>

*a) An EIR was completed for a school master plan that included childcare and pool facilities, six faculty housing units, and a wastewater treatment facility.*

Sources: California Department of Housing and Community Development; County of Santa Barbara; The Housing Workshop, 2021.

### Town of Truckee

<table>
<thead>
<tr>
<th></th>
<th>EIR</th>
<th>MND</th>
<th>Common Sense</th>
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**Number of Units**

<table>
<thead>
<tr>
<th></th>
<th>Market-Rate Units</th>
<th>Affordable Units</th>
<th>Total Units</th>
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Sources: California Department of Housing and Community Development; Town of Truckee; The Housing Workshop, 2021.
Streamlining: Statewide Use of SB 35
2018 – 2020

Number of Units

- 2018: 4,944
- 2019: 3,795
- 2020: 4,965

Number of Projects

- 2018: 32
- 2019: 46
- 2020: 49
Streamlining: SB 35

Type of Units Approved Under SB 35 in California 2018 – 2020

Total Units Approved Under SB 35 = 13,792
As Reported by Jurisdictions to HCD

- Very Low Income: 3,360
- Low Income: 6,540
- Moderate Income: 708
- Market-Rate: 3,184
Cost of CEQA Compliance
### Cost of Compliance

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Project Cost</th>
<th>Env Review Cost</th>
<th>Env Review %</th>
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<tbody>
<tr>
<td><strong>Redwood City MXD</strong></td>
<td>$150M</td>
<td>$0.7M</td>
<td>0.5%</td>
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<tr>
<td><strong>San Leandro Business Center</strong></td>
<td>$70M</td>
<td>$0.12M</td>
<td>0.2%</td>
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<tr>
<td><strong>Vivante Senior Housing</strong></td>
<td>$60M</td>
<td>$0.09M</td>
<td>0.15%</td>
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**Redwood City MXD**
- Total Project Cost: $150M
- Env Review Cost: $0.7M
- Env Review %: 0.5%

Project includes 400 market-rate residential units, 120 affordable units, 420,000 sf of office space, 26,000 sf of retail, 10,000 sf childcare center, and shared underground parking. CEQA review led to full EIR.

**San Leandro Business Center**
- Total Project Cost: $70M
- Env Review Cost: $0.12M
- Env Review %: 0.2%

Demolition of closed 1949 plant. New project with 553,000 sf of industrial space and 55,320 sf of office space. CEQA review led to MND with focused traffic studies due to replacement of prior industrial uses.

**Vivante Senior Housing**
- Total Project Cost: $60M
- Env Review Cost: $0.09M
- Env Review %: 0.15%

Demolition of former public art museum to build 90 senior housing units in Newport Beach. CEQA review led to addendum of previously certified EIR for unbuilt 25-story housing tower.
Top 10 State Employment Growth
2012 - 2019

Top 5 States GDP
2012 - 2019

Top 5 GDP States by Size in 2019 ($ millions)

1. California - $2,800,505
2. Texas - $1,764,357
3. New York - $1,490,679
4. Florida - $963,256
5. Illinois - $773,136

Top GDP Growth Rate 2012 - 2019

1. Washington - 37.0%
2. Utah - 31.1%
3. California - 30.6%
4. Colorado - 30.2%
5. Idaho - 29.7%

Top 10 State Median Household Income Growth 2012 - 2019

Figures not adjusted for inflation.
US EPA study in 2012 found that CA and NY had highest percentage of infill development compared to all housing development.
Summary of Findings

- CEQA is not litigated frequently – just an average of 195 lawsuits per year
  - Less than 2% of estimated CEQA review documents per year
- CEQA is not a key factor in housing production – peak year in CA was 1986, 14 years after CEQA review was applied to private development projects
- Streamlining is addressing the housing crisis, especially SB 35 for affordable housing projects
- Direct cost for most CEQA compliance is a small fraction of total development cost
- There is no evidence that CEQA affects CA’s economic prosperity or sustainable development
Suggestions for Future Research

- **Require better data reporting**
  - Method of environmental review (esp. for housing)
  - Cost of environmental review (dollars and time)

- **Track and analyze streamlining effectiveness**
  - Especially needed for housing projects

- **Quantify CEQA benefits**
  - **Direct benefits** - tourism, economic growth, GHG reduction, etc.
  - **Indirect benefits** – quality of life, values of views, reduction in injustice, indirect value of environmental conservation to economy, etc.
CEQA: California’s Living Environmental Law

CEQA’s Role in Housing, Environmental Justice, and Climate Change

Summary of Findings
The California Environmental Quality Act (CEQA)

An important tool for advancing environmental justice (EJ) and protecting the rights of communities

Tiffany Eng
California Environmental Justice Alliance (CEJA)
The California Environmental Justice Alliance is a statewide, community-led alliance that works to achieve environmental justice by advancing policy solutions.

We unite the powerful local organizing of our members in the communities most impacted by environmental hazards—low-income communities and communities of color—to create comprehensive opportunities for change at a statewide level.
Definition of Environmental Justice:

“The basic right of ALL people to live, work, go to school, play, and pray in a healthy, accessible, and clean environment.”

CEQA allows low-income residents and impacted communities of color to protect their health, housing, and environment.

**CEQA provides a public process for EJ community residents:**

- Notification of projects being proposed for neighborhoods
- Process to share feedback and concerns regarding projects
- Opportunity to recommend ways to improve a project

**CEQA advances both distributive justice and procedural justice.**
It can provide mechanisms to hold certain projects accountable if they insufficiently analyze potential harms against local residents and neighborhoods - including housing built on or near toxic land.
CASE STUDY: Caglia Industrial Park, City of Fresno (2018)

- City of Fresno approved a permit for a massive “industrial park” on 110 acres at the southern edge of the city. Decided to prepare a MND instead of an EIR.

- Proposal would incur the following impacts:
  - Warehouse project would operate 24/7
  - 6,260 vehicle trips to local roads each day
  - Sited across from homes in unincorporated Fresno County, and near a school.
  - Low-income, Latinx community is disproportionately burdened by warehouses and hazardous sites. High cancer rates and health problems.

- City approval despite MND failed to adequately analyze or mitigate the project’s significant impacts. South Central Neighbors United filed suit; CA Attorney General intervened.

- City rescinded its approval of the project in 2019 - implied MND insufficiency.
CASE STUDY: Petro-Lud Oil and Gas Drilling Project, City of Arvin (2018)

- City of Arvin approved a CUP to allow Petro-Lud, Inc. to drill four wells in the middle of a residential community. City said the project could use a local exemption, didn’t require CEQA.

- Proposal would incur the following impacts:
  - Oil and gas drilling operations would be conducted 24/7
  - Drilling rig would be brightly lit all night.
  - Activity would occur across the street from homes, near an elementary school and city parks.
  - Produced oil and gas would be trucked or piped offsite through the community.

- Committee for a Better Arvin, a resident-led non-profit org, filed a legal challenge the city’s approval: *Class 3 exemption violated CEQA* (""small facilities/structures")

- The city rescinded its approval of the project, has to comply with CEQA.
CASE STUDY: The World Logistics Center, Moreno Valley (Riverside County, 2015)

- City of Moreno Valley approved the World Logistics Center: 40.6 million sq. ft. of development on more than 3,800 acres.

- Proposal would incur the following impacts:
  - 14,000 truck trips moving around the site each day.
  - Trucks would transport goods from LA and LBC ports to Moreno Valley, often on two-lane roads.
  - Diesel trucks would generate an enormous amount of pollution, severely impacting AQ.

- Public and agencies warned that EIR for the project did not adequately analyze or mitigate many impacts, such as impacts on public health, AQ, noise, traffic, and climate.

- SCAQMD, Riverside County, CCAEJ, and allied community orgs won a landmark settlement securing nearly $50 million in additional mitigation and other commitments to protect the vulnerable surrounding community.
Parting Thoughts:

- Environmental justice groups depend on CEQA to have a voice in creating safer and healthier communities, and address the public health impacts from polluting developments. No other state law provides this protection.

- Over the years, many bills have attempted to weaken the California Environmental Quality Act. CEQA has already been modified or “streamlined” many times.

- Instead of watering down CEQA, the state must tackle the real obstacles to housing. Communities do not want to have to choose between having high quality affordable housing and protecting their families from cancer and other health impacts.


www.CalGreenZones.org
Tiffany@caleja.org
CEQA: California’s Living Environmental Law

CEQA’s Role in Housing, Environmental Justice, and Climate Change

Summary of Findings
CEQA & Climate Change

Aruna Prabhal<br>Urban Wildlands Director<br>Senior Attorney
California’s Current Climate Crisis

- Rising summer temperatures
- Coastal flooding and erosion
- Increased frequency and intensity of wildfire
- Shrinking Sierra Nevada snowpack and water shortages throughout the state
- Worsening air quality
- Habitat degradation and loss of ecosystem function
Under CEQA, agencies required to:

• Disclose and review project’s contribution to cumulative climate impacts
• Assess significance of those impacts
• Identify effective mitigation measures
Landmark Cases

- Center for Biological Diversity v. Cal. Dept. of Fish & Wildlife (2015) 62 Cal.4th 204
- Golden Door Properties, LLC v. County of San Diego (2020) 50 Cal.App.5th 467
CEQA Helps California Tackle the Climate Crisis

- Data Disclosure
- Cumulative Impacts Analysis
- Smarter Regional and Local Planning
- Accountability for Public Agencies and Private Developers
- Maximize Opportunities to Reduce and Mitigate Emissions
Climate Crisis Will Present New Challenges

- **Heat Waves**: Daily temperature projected to increase by 5.6 to 8.8 degrees by 2100
- **Drought**: Water shortages of up to 16% in certain regions by 2050
- **Sea Level Rises**: 31 to 67% of Southern California beaches may completely eroded by 2100; 300+ miles of highway susceptible to coastal flooding by 2100
- **Wildfire**: 77% average area burned could increase by 2100
Protecting CEQA helps protect communities adapting to a rapidly changing climate

Aruna Prabhala
Center for Biological Diversity
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