

New Empirical Study Shows the California Environmental Quality Act (CEQA) Helps Communities Combat Environmental Injustice and Climate Change, While Streamlining Affordable Housing



On October 27, 2021, the Rose Foundation for Communities and the Environment and The Housing Workshop released a new report, “CEQA: California’s Living Environmental Law: CEQA’s Role in Housing, Environmental Justice, & Climate Change.” Exhaustively analyzing the available data and literature, the report demonstrates that, contrary to critics’ arguments, CEQA is not a major impediment to housing production. The number of CEQA lawsuits has remained very low over two decades, and the costs of complying with the law are relatively small. The report further shows that CEQA is critical for advancing environmental justice and combatting climate change.

CEQA

Signed into law by Governor Reagan over 50 years ago, CEQA requires public agencies to analyze proposed projects’ potentially significant environmental impacts before approving them. Courts have subsequently interpreted the law to also require analysis of these projects’ effects on public health. The CEQA process, sometimes including litigation, has caused developers and public agencies to modify large, intensive development projects to address environmental injustice impacts such as severe air and noise pollution. CEQA is also playing a major role in combatting climate change by requiring public agencies and developers to analyze and reduce their projects’ greenhouse gas emissions.

Over its 50-year history, CEQA has ensured the protection of some of California’s most treasured natural resources and landscapes. CEQA’s current focus on public health impacts and climate change has also made the law a powerful tool for communities throughout California.

KEY FINDINGS

CEQA protects the environment, advances environmental justice, and combats climate change.

The CEQA process has caused developers and public agencies to modify high-impact development projects to address environmental injustice impacts, such as air and noise pollution threatening public health. CEQA is also playing a major role in combatting climate change by requiring local agencies and developers to disclose projects' greenhouse gas emissions and reduce them to the extent feasible.

Both the number of CEQA lawsuits and the rate of CEQA litigation continue to be low.

Since 2002, CEQA lawsuits have averaged less than 200 per year, despite rapid population growth in California. The rate of litigation from 2013 to 2019 was only 2 percent – far lower than some press reports imply. CEQA lawsuits typically call attention to legitimate issues related to public health, the environment and/or government transparency.

The cost of CEQA compliance is relatively low.

Compliance costs range from 0.025% to 0.6% of total project costs, not high enough to seriously impede projects.

For over 50 years, CEQA has helped to protect some of the state's most iconic places.

Examples include the Headwaters Forest, Mono Lake, the Santa Monica Mountains, and San Francisco Bay.

Many complex factors have contributed to California's current housing crisis, but CEQA is not a significant factor or cause of that crisis.

Other complex factors such as restrictive local zoning laws, fluctuating interest rates, and rising land/materials/labor costs are the major contributors to the housing crisis. While CEQA is not a major barrier to housing, the state legislature has nonetheless approved bills to streamline CEQA review for certain housing projects

CEQA streamlining tools have helped to advance housing projects.

In recent years, the state legislature has adopted new laws that streamline the CEQA process for qualified housing projects. Local agencies have increasingly relied on these laws, and particularly SB 35, to expedite housing approvals – and this trend is expected to continue. Between 2018 and 2020, approximately 14,000 housing units have been approved using SB 35, of which 77% were affordable.

Before the legislature enacts further amendments to the law, it should assess how these streamlining bills play out.

Because environmental review is not required for projects authorized by SB 35, there may be no mitigation required for environmental impacts. Especially since CEQA is not the root cause of the housing crisis, lawmakers and policy leaders should carefully monitor this narrowing of CEQA's application to housing development and evaluate how the current CEQA amendments play out before further weakening the law's environmental review requirements. Residents depend on CEQA to ensure the health and safety of their communities.

California is a national leader in economic prosperity and sustainable development.

CEQA has not held the state back in these metrics over the past five decades. California saw the 7th fastest job growth in the nation between 2012 and 2019, including in the manufacturing sector, and ranked first in the nation in GDP, the value of all economic output, in 2019. The pace of infill housing construction compares favorably with other states. And California has five of the 20 most walkable cities in the nation, a key metric for sustainable development.

CEQA has not proved to be a significant factor or cause in California's housing crisis. This statute has served our state remarkably well through the economic fluctuations of the last 50 years.

“CEQA: California's Living Environmental Law” was commissioned by the Rose Foundation for Communities and the Environment and written by The Housing Workshop. The Rose Foundation promotes community-based advocacy to protect the environment, public health and consumers. The Housing Workshop provides focused housing policy consulting services to research institutions, professional organizations and foundations, and develops innovative local government housing policies. It develops housing solutions for equitable cities, based on the principle that housing is a human right.