



"We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history."

Planning Commission Memorandum

Meeting Date: August 19, 2025

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SUBJECT: Overview of Assembly Bill 130 (AB 130) and Senate Bill 131 (SB 131) Key Provisions

This memo summarizes the key provisions of Assembly Bill 130 (AB 130) and Senate Bill 131 (SB 131), signed into law by Governor Gavin Newsom on June 30, 2025, and effective July 1, 2025, as budget trailer bills. These bills introduce significant reforms to the California Environmental Quality Act (CEQA), housing laws, and permitting processes to streamline housing and infrastructure development. This summary highlights provisions relevant to the Planning Commission's planning and project review responsibilities.

Assembly Bill 130 (AB 130)

Purpose: AB 130 focuses on streamlining housing development by enhancing CEQA exemptions, clarifying permitting processes, and providing regulatory certainty for residential projects.

Key Provisions:

1. CEQA Exemption for Infill Housing (Public Resources Code § 21080.66):
 - Exempts qualifying housing projects (100% residential or mixed-use with at least two-thirds residential) up to 20 acres (or 5 acres for builder's remedy projects) from CEQA if:
 - Located in incorporated cities or Census-defined urban areas, previously developed or surrounded by urban uses.
 - Consistent with local general plan or zoning (substantial evidence standard).
 - Meets at least 50% of the "Mullin density" for lower-income housing (10–15 units/acre in most urban areas).
 - Avoids hazardous sites (e.g., farmland, wetlands, per SB 35 criteria) and historic structure demolition.
 - Complies with expedited tribal consultation (14-day notification, 60-day tribe response, 45-day consultation with a possible 15-day extension).
 - Requires Phase I Environmental Site Assessment and, if needed, mitigation of hazardous substances.
 - Projects within 500 feet of a freeway must meet air filtration standards (e.g., MERV 16 filters).

- Prevailing wage required for 100% affordable projects or buildings over 85 feet (or 50+ units in San Francisco).
- 2. Building Code Freeze (Oct. 1, 2025–June 1, 2031):
 - Prohibits local and state agencies from adopting new or more restrictive residential building standards, except for:
 - Emergency health/safety standards, wildfire mitigation, or pre-existing local amendments.
 - Alignments with general plans approved by June 10, 2025, or incentives for all-electric construction.
 - Locks in building codes at permit submission to provide regulatory certainty and reduce costs.
- 3. Permit Streamlining Act (PSA) Amendments:
 - Extends PSA protections to ministerial housing projects (e.g., SB 35, AB 2011, SB 9), requiring approval or disapproval within 60 days of a complete application (30 days post-tribal consultation for exempt infill projects).
 - Makes permanent SB 330 (Housing Crisis Act) protections, including:
 - Vesting project standards at preliminary application submission.
 - Limiting public hearings to five for qualifying projects.
 - Restricting growth control measures and historic site designations post-application.
- 4. Vehicle Miles Traveled (VMT) Mitigation:
 - Allows mitigation of VMT impacts via contributions to the Transit-Oriented Development Implementation Fund, with guidance from the Office of Land Use and Climate Innovation by July 1, 2026. Local agencies retain discretion to impose additional VMT mitigation, creating potential inconsistencies.
- 5. Other Housing Reforms:
 - Permanently extends Housing Accountability Act protections.
 - Amends the Starter Home Revitalization Act (SB 648) to allow remainder parcels in small subdivisions (up to 10 units) and restricts sales of undeveloped parcels.
 - Enhances the Affordable Housing on Faith and Higher Education Lands Act (SB 4) with minor height and use adjustments.
 - Eliminates special protections for “grandfathered” ADU ordinances and restricts HOA fees for ADUs.

Senate Bill 131 (SB131)

Purpose: SB 131 broadens CEQA exemptions for various project types and streamlines reviews for housing projects, while also addressing infrastructure and homelessness funding.

Key Provisions:

1. CEQA “Near-Miss” Streamlining:
 - For projects that fail to qualify for a CEQA exemption due to a single condition, environmental review (EIR or initial study) is limited to impacts caused by that condition, excluding analysis of alternatives, cumulative impacts, or growth-inducing effects.
 - Excludes projects with multiple disqualifying conditions, distribution centers, oil/gas infrastructure, or those on protected lands.
2. CEQA Exemptions for Specific Projects:
 - Housing Element Rezoning: Exempts rezoning actions implementing an approved housing element per Government Code § 65583(c).
 - Agricultural Employee Housing: Exempts new or existing farmworker housing projects.
 - Wildfire Risk Reduction: Exempts prescribed fire, defensible space, and fuel break projects.
 - Community Water/Sewer Systems: Extends exemptions for small disadvantaged community water/sewer systems to January 1, 2032, and includes sewer projects.
 - Public Parks/Trails: Exempts planning, construction, or maintenance of public parks or nonmotorized trails funded by specific sources.
 - Other Facilities: Exempts day care centers, federally qualified health centers, rural health clinics, nonprofit food banks/pantries, and high-speed rail maintenance facilities (if not on protected lands).
3. Homeless Housing Assistance and Prevention (HHAP) Program:
 - Establishes Round 7 of the HHAP program, authorizing \$8M from the General Fund for administration and \$500M for disbursement starting July 1, 2026, contingent on recipients obligating 50% of Round 6 funds.
4. Urban Infill Site Mapping:
 - Requires the Office of Land Use and Climate Innovation to map eligible urban infill sites by July 1, 2027, with draft maps shared with local governments 120 days prior.

Implications for the Planning Commission

- CEQA Compliance: Update internal processes to evaluate projects for new exemptions (e.g., infill housing, rezoning) and ensure tribal consultation timelines are met.
- Permitting Timelines: Adjust workflows to meet PSA’s 60-day (or 30-day for exempt infill) approval deadlines for ministerial projects to avoid automatic approvals.
- Building Code Restrictions: Prepare for the building code freeze (Oct. 2025–June 2031) by reviewing local amendments for compliance with allowed exceptions.
- Tribal Consultation: Ensure robust documentation and adherence to expedited timelines for AB 130’s infill exemption consultations.
- VMT Mitigation: Monitor forthcoming guidance on the Transit-Oriented Development Implementation Fund and assess local VMT mitigation policies for alignment.

- Historic Resources: Strengthen designation processes, as AB 130 protects designated historic structures from demolition under the infill exemption, but SB 131's "near-miss" provisions may reduce protections for undesignated resources.

ATTACHMENTS

- A. Assembly Bill 130
- B. Senate Bill 131

INCORPORATED BY REFERENCE

City of Placerville City Code
California Environmental Quality Act (CEQA)