

Success on the Street

California's CEQA exemption has helped cities build modern mobility faster — and become a foundation for future streamlining.



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Author

Laura Tolkoff

The findings and recommendations of this report are SPUR's and do not necessarily reflect the views of those listed here. Any errors are the author's alone.

Edited by Melissa Edeburn and Ren Steen
Designed by Shawn Hazen
Copyedited by Valerie Sinzduk



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Executive Summary

The State of California is striving to meet ambitious climate goals and improve quality of life by encouraging alternative modes of transportation such as walking, biking, and public transit. However, construction of the essential infrastructure to realize those goals — sidewalks, bike lanes, and transit upgrades — often faces lengthy delays and high costs due to regulatory challenges. One significant hurdle has been the California Environmental Quality Act (CEQA), which, until recent legislative changes, resulted in extensive studies and litigation that added costs, slowed project delivery, and shrunk project ambitions.

In 2020, the California Legislature enacted Senate Bill (SB) 288, which provided a temporary statutory exemption from CEQA requirements for sustainable transportation projects aimed at reducing greenhouse gas emissions. This exemption was extended in 2021 through SB 922 and further expanded in 2024 to include zero-emission rail projects via Assembly Bill (AB) 2503. SPUR's analysis of the exemption from January 2021 to August 2024 revealed that local jurisdictions and transit agencies used CEQA exemptions to successfully deliver 92 projects, such as curbs cuts and mobility hubs, more quickly and cost-effectively.

The need for such exemptions arises from CEQA's mandating of rigorous environmental impact assessments for many projects. Although CEQA is crucial for protecting the environment, it often treats all projects as potential threats, making it difficult for beneficial transportation initiatives to proceed. The design of CEQA has led to delays and increased costs for public transit and active transportation projects, restricting access to essential services and opportunities, particularly for marginalized communities.

The exemption introduced by SB 288 and subsequent bills streamlines the approval process for specific sustainable transportation projects, allowing them to bypass some of the more cumbersome CEQA requirements, such as extensive and costly analysis. The types of projects that qualify include, but are not limited to, improvements to pedestrian and bicycle facilities, transit-priority projects, and zero-emission rail initiatives. Notably, the exemption is designed to ensure that projects are public, are located in urban areas, and are in alignment with existing transportation plans, thereby preventing sprawl and ensuring that taxpayer resources are used effectively.

This brief recommends making the statutory CEQA exemption permanent and using it as a model and a basis for future permitting reforms. In January 2025, Senator Scott Wiener introduced SB 71 to expand the exemption and make it permanent. SPUR is a co-sponsor of the bill.

SPUR proposes two changes to the sustainable transportation exemption for sustainable transportation:

1. Make the statutory CEQA exemption for sustainable transportation permanent.
2. Update the exemption to allow the project cost threshold to be adjusted over time and indexed to inflation.

Additionally, SPUR recommends that the state legislature make CEQA-exempted projects eligible for other funding and regulatory benefits through three actions:

3. Provide full funding for projects that are eligible for the statutory CEQA exemption.
4. Require local jurisdictions, state agencies, special districts, and utilities to use a standard project review application for projects that qualify for a CEQA exemption.
5. Require local jurisdictions, state agencies, special districts, and utilities to notify project sponsors when their application is complete and to approve or deny construction permits within a specified period.

Realizing Governor Gavin Newsom's vision of a "California for All" and meeting state climate goals require the state to create a multimodal transportation system that enables people to access what they need safely, affordably, and quickly. Clearing the runway of hurdles that drive up costs and slow delivery of projects without adding significant value will take time. But the CEQA exemption for sustainable transportation works as intended and should therefore be made permanent. Given that the exempted projects are emblematic of the types of projects California needs more of, the exemption should be the starting point for other types of regulatory and permit streamlining efforts in the state.

CEQA Exemption Equals More Sustainable Transportation

To achieve the state’s ambitious climate goals and reduce traffic deaths, Californians need to drive less. That means that walking, biking, and taking transit must become the default ways to get around. Unfortunately, the projects we need — sidewalks, bicycle lanes, traffic signal upgrades, and transit projects, to name a few — regularly take too long and cost too much. So, we get fewer of them.

A major obstacle in the process of delivering sustainable transportation infrastructure is the misuse of the California Environmental Quality Act (CEQA). CEQA studies, appeals, and litigation have regularly entangled projects in lengthy and costly delays.

CEQA requires state and local agencies to evaluate and disclose the significant environmental impacts of projects that they approve and to avoid or mitigate those impacts if feasible. The CEQA environmental impact review is the basis for many state and local approvals needed to build and deliver transit and sustainable transportation projects.

CEQA is a critically important law for protecting people and the environment against harmful projects, such as refineries, that pollute natural resources and jeopardize health. However, CEQA is designed in a way that presumes that all projects are inherently bad for the environment. But not all transportation projects are alike. A new busway on an already-built street in a midsize city has very different, and much smaller, environmental impacts than a new 20-mile highway segment through sensitive habitats or on farmland between two cities.

At a time when the climate emergency demands that California double-down on infrastructure projects that reduce driving and greenhouse gas emissions, CEQA’s design discourages transit and sustainable transportation, in large part by raising construction costs, which in the United States have ballooned.¹ When projects cost too much, we build fewer of them, which restricts access to jobs, housing, medical care, and so on, thereby lowering quality of life. It also means that fewer resources are available for other transportation needs, such as operating funds to make sure that buses, trains, and ferries can run frequently enough that people want to use them regularly, which would drive down greenhouse gas emissions.

Recently, California made a concerted effort to regain the ability to build needed infrastructure faster, better, and at lower cost.² In 2020, the California Legislature passed Senate Bill (SB) 288

¹ Eric Goldwyn, Alon Levy, Elif Ensari, and Marco Chitti, *Transit Costs Project: Executive Summary*, NYU Marron Institute of Urban Management, <https://transitcosts.com/executive-summary/>.

² Governor’s Office of Planning and Research, “Technical Advisory: CEQA Review of Sustainable Transportation Projects,” October 2021, https://lci.ca.gov/ceqa/docs/20211110-Sustainable_Transportation_TA.pdf.

(Wiener), which temporarily created what's known as a statutory CEQA exemption for sustainable transportation projects that reduce greenhouse gas emissions. A year later, the legislature extended the exemption through 2030 with SB 922 (Wiener). In 2024, it expanded the exemption to zero-emission rail projects with Assembly Bill (AB) 2503 (Lee). In January 2025, Senator Scott Wiener introduced SB 71 to make the SB 288 exemption permanent.

Four years after SB 288, SPUR can definitively say that the statutory CEQA exemption works. We analyzed the exemptions filed with the Governor's Office of Land Use and Climate Innovation (formerly the Governor's Office of Planning and Research) between January 2021 and August 2024 and found that local jurisdictions, public transit agencies, and state agencies have used or are using the exemption to build 92 projects, spanning everything from curb cuts to mobility hubs, more quickly and cost-effectively. Based on the success of this legislation, SPUR recommends passing SB 71 to make the CEQA exemption for transit and active transportation permanent.

Legislative Evolution of the Sustainable Transportation Statutory CEQA Exemption

In 2020, SB 288, authored by Senator Scott Wiener and sponsored by SPUR, created a statutory exemption from the California Environmental Quality Act (CEQA) for sustainable transportation projects located in public rights-of-way for two years. The exemption became Section 21080.25 of the Public Resources Code. Unlike categorical exemptions, statutory exemptions cannot be easily challenged through appeals or litigation.

In 2021, SPUR — together with the California Transit Association, the Bay Area Council, the Silicon Valley Leadership Group, and LA Metro — partnered with Senator Wiener on SB 922 to extend the sunset date.^a This law extended the exemption to 2030 and slightly expanded the list of eligible projects.

In 2024, Assembly Bill 2503 (Lee) further expanded the list of eligible projects to zero-emission passenger rail projects located entirely within existing rail or highway rights-of-way. This bill did not change the sunset date.

In January 2025, Senator Scott Wiener introduced SB 71 to make the SB 288 exemption permanent.

^a Laura Toloff and Kenji Anzai, *Accelerating Sustainable Transportation in California: An Analysis of Senate Bill 288 and Recommendations to Extend and Improve the Law*, SPUR Policy Brief, April 2022, <https://www.spur.org/publications/policy-brief/2022-04-13/accelerating-sustainable-transportation-california>.

How Does a Statutory Exemption Differ From a Categorical Exemption?

The CEQA exemption established by SB 288 is a statutory exemption and is more powerful than a categorical exemption.

A categorical exemption applies to categories of projects that generally have no significant environmental impacts. For transportation projects, categorical exemptions typically include repair, maintenance, leasing, or minor alteration projects that involve, for example, planting trees, painting crosswalks, and adding bicycle lanes (see Exhibit 1).³ To obtain a categorical exemption, the lead agency must first prove that its project will have no significant environmental impacts, and providing such proof adds to the project's pre-construction costs. Furthermore, even a project that qualifies for a categorical exemption can be challenged through an appeal or litigation on the grounds that it will have a significant impact on the environment or on historical resources, or that the analysis of impacts was incomplete, or that vaguely defined "unusual circumstances" make it different from exempted categories of projects. Such circumstances were used to scuttle a categorical exemption (Class 1 Existing Facilities Categorical Exemption) for a proposed project to install temporary transit lanes and emergency bikeways in San Francisco in response to COVID-19. The project was appealed due to the associated removal of parking.⁴ Bottom line: Even when a transportation project is categorically exempt from CEQA, the lead agency must spend time and resources to prove that it is exempt, and the project may still be challenged administratively or in court. This adds cost and time to a project and uses funding that could be spent on other projects.

Statutory exemptions apply to projects or types of projects specifically excluded from CEQA requirements by state legislation. Unlike categorical exemptions, statutory exemptions cannot be easily challenged through appeals or litigation, and the lead agency need not conduct time-consuming initial studies to prove that a project is exempt. Because statutory exemptions are much more insulated from litigation, they provide greater time certainty than a categorical exemption. For these reasons, the exemption provided by SB 288 and SB 922 as well as by AB 2503 is particularly effective in reducing both delay and cost.

³ Governor's Office of Planning and Research, "Technical Advisory: CEQA Review of Sustainable Transportation Projects," October 2021, https://lci.ca.gov/ceqa/docs/20211110-Sustainable_Transportation_TA.pdf.

⁴ San Francisco Municipal Transportation Agency, "Exemption 2020-005472ENV," <https://sfplanning.org/resource/ceqa-exemptions>.

EXHIBIT 1

Statutory and Categorical CEQA Exemptions for Transportation Projects

In addition to the sustainable transportation exemption, there are a few preexisting CEQA exemptions for transportation projects. Categorical exemptions apply to categories of projects that generally have no significant environmental impacts. Even a project that qualifies for a categorical exemption can be challenged through an appeal or litigation. Statutory exemptions apply to projects or types of projects specifically excluded from CEQA requirements by state legislation. Unlike categorical exemptions, statutory exemptions cannot be easily challenged through appeals or litigation.

Source: Governor’s Office of Planning and Research, “Sustainable Transportation Technical Advisory,” October 2021, https://ici.ca.gov/ceqa/docs/20211110-Sustainable_Transportation_TA.pdf. Adapted to incorporate the statutes enacted by AB 2503.

	PRC 21080 Preexisting Statutory Exemption	PRC 21080.20 Preexisting Statutory Exemption	PRC 21080.25 Sustainable Transportation Exemption	Class 1 Preexisting Categorical Exemption
Bike Lane			X	X
Bike Plan		X	X	
Sidewalk/Shade			X	X
Reduce Parking Minimums			X	
Zero-Emission Bus Charging			X	
Transit Prioritization			X	
Transit Signage			X	
Bus-Only Lane Conversions			X	X
Bus Service (Institution or Increase)			X	
Light Rail (Institution or Increase)			X	
Zero-Emission Passenger Rail (Institution or Increase)			X	
Bus Rapid Transit (Institution or Increase)			X	
Transit Station Modernization	X			X
Transit Parking Modernization	X			X
Increasing Service on ROW or HOV	X		X	X
Facility Extensions for Passenger Transfers	X			

Why Is the Statutory Exemption Needed?

Each step of the CEQA process is subject to appeals and lawsuits that can increase project costs and create delays. It's not unusual for a single lawsuit to take three to four years and millions of dollars to resolve, and even administrative appeals to local governing bodies regularly take six months.

Delays and increased costs are not the only impacts of CEQA appeals and lawsuits. These proceedings also have equity and even life-and-death impacts.

EQUITY IMPACTS

When CEQA is used as a tool to delay, halt, or downsize critically needed projects, it becomes more difficult to build active transportation and sustainable transit projects that create a safer, healthier, and more equitable future for all Californians.

In practice, CEQA tends to benefit wealthier and whiter people, who are most likely to have the resources to file a lawsuit to stymie a project. When a CEQA lawsuit or appeal is filed, the people most impacted are non-drivers — people who do not drive due to age, a medical condition, cost, or personal choice and who are more likely than the general population and drivers to be low-income, disabled, seniors, youth, or people of color.

Appeals and lawsuits can hinder climate progress and leave historically marginalized communities without basic access to goods, services, and jobs. For example, the East Bay Rapid Transit project, which was supposed to extend from Berkeley to San Leandro, was significantly shortened after a Berkeley business owner threatened to sue over parking losses. Cutting the project back significantly reduced access and mobility for some of the most economically disadvantaged communities in the Bay Area.

LIFE-AND-DEATH IMPACTS

CEQA allows anyone to sue a project even on non-environmental grounds. For example, one individual has used CEQA to sue the City of San Francisco's bicycle plan, holding up 34 miles of bike lanes over the course of four years. During that time, nine people died and more than 2,000 people were injured while riding their bikes in the city.⁵ The suit came about not because the bike lanes will have any impacts on air quality, water, or wildlife but because the changes will remove parking spaces and slow down car traffic.

⁵ This finding is based on SPUR's analysis using [TransBASE](#) to quantify bicycle collisions within the City of San Francisco from January 1, 2006, to December 31, 2010.

What Does the Statutory Exemption for Sustainable Transportation Projects Do?

SB 288 makes the following types of sustainable transportation projects eligible for a statutory CEQA exemption:

- Pedestrian and bicycle facilities that improve safety, access, or mobility, including new facilities, within an existing public “highway,” which the state defines as any right-of-way maintained by the government for the purposes of public vehicular travel, including streets
- Projects that improve customer information and wayfinding for transit riders, bicyclists, or pedestrians within the public right-of-way
- Transit-priority projects, such as making signal changes, installing or modifying signs, installing wayside or onboard technology, converting general-purpose lanes to dedicated transit lanes, designating transit queue jump or bypass lanes, instituting shared turning lanes and turn restrictions, narrowing lanes to allow for dedicated transit lanes or transit reliability improvements, widening existing transit travel lanes through removing or restricting street parking, and making transit-stop access and safety improvements
- Projects that convert general-purpose lanes to high-occupancy-vehicle (HOV) lanes or bus-only lanes or that convert highway shoulders to part-time transit lanes, either during peak congestion hours or all day on highways with existing public transit service or when a short-range transit plan indicates that a public transit agency will be implementing public transit service
- Public projects that institute or increase bus rapid transit, bus, or light rail service, including projects that construct or rehabilitate stations, terminals, or existing operations facilities that will be used exclusively by vehicles with zero-emission, near-zero-emission, or low-nitrogen-oxide engines or by compressed natural gas fuel, fuel cell, or hybrid powertrain buses or light rail vehicles, on existing public rights-of-way or existing highway rights-of-way, whether or not the right-of-way is in use for public mass transit
- Public projects that construct or maintain infrastructure or facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries, provided the projects (1) are

carried out by a public transit agency in compliance with the California Air Resources Board's Innovative Clean Transit regulations or any regulations identified by the board's 2020 Mobile Source Strategy, adopted on October 28, 2021, and (2) are located on property owned by the local agency or within an existing public right-of-way or on property owned by a public or private utility

- Public projects that institute or increase passenger rail service that will be used exclusively by zero-emission trains and that will be or are located entirely within existing rail rights-of-way or existing highway rights-of-way.⁶

The statutory CEQA exemption is intended to streamline projects that help advance progress toward California's climate targets. To guard against potential unintended consequences, the exemption specifies these additional criteria:

- Projects must be led by a public agency because most transportation infrastructure is publicly owned and because most taxpayers directly benefit from the exemption.
- Projects must be in an urbanized area or urban cluster and in an existing public right-of-way to preempt use of the exemption for projects in greenfield locations that are likely to spur "leapfrog" or sprawl development.
- Projects must show consistency with previously analyzed, publicly discussed, and adopted transportation plans so that their approval can be streamlined.
- Projects must be completed by a skilled and trained workforce to ensure that they are public projects and support well-paying jobs.
- Projects must not involve the demolition of affordable housing units, thereby preventing the direct displacement of low-income households.
- Project sponsors must demonstrate public engagement, which replaces the critical disclosure function that CEQA has historically filled.
- Project sponsors for projects costing more than \$100 million must complete a racial equity analysis and present a business case for the projects.

⁶ This last category of projects was made statutorily exempt from CEQA by AB 2503.

How Has the Statutory Exemption Helped California?

CEQA exemptions for sustainable transportation are effective. SPUR analyzed the exemptions filed with the Governor’s Office of Land Use and Climate Innovation (formerly the Governor’s Office of Planning and Research) between January 2021 and August 2024 and found that local jurisdictions, public transit agencies, and state agencies have used or are using CEQA exemptions to deliver 92 projects across the state faster and at a lower cost than they would without the exemptions (see Exhibit 2).

EXHIBIT 2
Project Exemptions, January 2021 to August 2024
 The number of projects using a CEQA exemption has increased each year, allowing sponsors to deliver these projects more quickly and more cheaply than they otherwise would be able to.

YEAR	NUMBER OF FILINGS FOR EXEMPTION
2021	18
2022	20
2023	29
2024 (through August)	25
Total	92

Source: SPUR analysis of Notice of Exemptions reported on CEQAnet (Governor’s Office of Land Use and Climate Innovation), accessed August 2024 and November 2024.

Nearly all projects that used a CEQA exemption are small-scale, commonsense projects that could — and should — be constructed quickly. These projects include curb cuts consistent with the Americans with Disabilities Act, sidewalk repairs, mobility hubs, busways, signal upgrades, traffic-calming installations, and retrofits to prepare bus maintenance facilities for zero-emission fleets (see Exhibit 3).

Jurisdictions and transit agencies in 13 counties have delivered CEQA-exempted projects (see Exhibit 4). More than two-thirds of these projects were constructed in San Francisco, Alameda, and Los Angeles counties. The surge of CEQA-exempted projects in these locations likely owes to the fact that these counties are home to the largest cities and largest transit agencies in the state. However, CEQA-exempted projects are not solely a benefit for big cities, as approximately one-third are in counties with smaller cities and towns.

EXHIBIT 3

Project Exemptions by Type, January 2021 to August 2024

Active transportation and traffic calming projects on roadways are, to date, the biggest beneficiaries of CEQA exemptions. Other significant beneficiaries are projects that serve zero-emission fleets, prioritize transit, and provide access consistent with the Americans with Disabilities Act.

Source: SPUR analysis of Notice of Exemptions reported in CEQAnet (Governor’s Office of Land Use and Climate Innovation), accessed August 2024 and November 2024.

Note: SPUR categorized projects based on descriptions included in project filings by lead agencies in CEQAnet. The total number is greater than 92 because some of the 92 projects combine several smaller eligible projects.

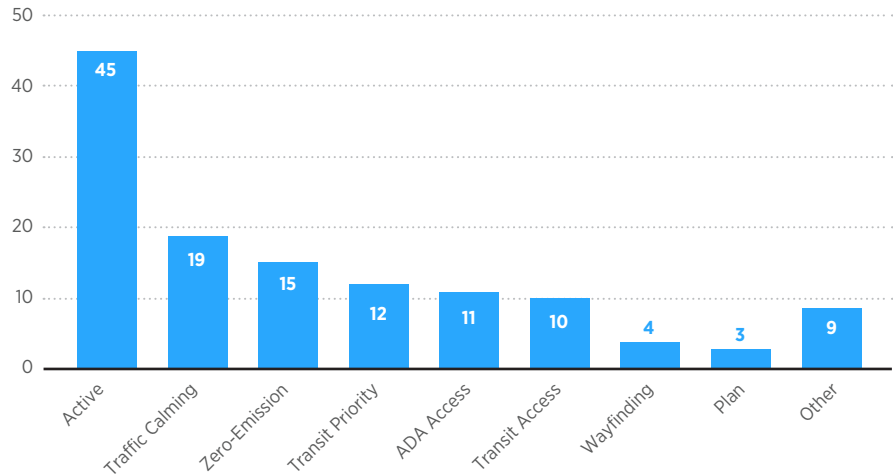


EXHIBIT 4

Projects Claiming Exempt Status by County

As of August 2024, transit agencies, local jurisdictions, and Caltrans have used the CEQA exemption to build road safety and sustainable transportation projects more quickly and cost-effectively throughout the state but especially in San Francisco County, Alameda County (Oakland), and Los Angeles County.

Source: SPUR analysis of Notice of Exemptions reported in CEQAnet (Governor’s Office of Land Use and Climate Innovation), accessed August 2024 and November 2024.

COUNTY	NUMBER OF CEQA-EXEMPTED PROJECTS
San Francisco	28
Los Angeles	24
Alameda	14
San Diego	7
Santa Clara	6
Ventura	2
Riverside	2
Monterey	2
Sacramento	2
San Mateo	1
San Bernardino	1
Marin	1
Orange	1

The data show that well-designed policy guardrails can enable California to accelerate infrastructure projects without compromising on its equity and environmental goals. Some people and organizations are rightfully wary of making changes to CEQA. That is because marginalized communities and environmental justice communities have repeatedly been excluded from planning decisions or have been misled about the impacts of harmful projects, leading to excessive pollution, toxins, and environmental degradation in their neighborhoods. With this in mind, the exemption was crafted with strict eligibility requirements and policy guardrails, thereby limiting exempt status to those projects that are truly beneficial to people and the environment. A full list of these guardrails is on page 11. To date, all projects that have used the CEQA exemption have conformed with those guardrails, confirming that public agencies are not misusing the exemption.

Policy Recommendations

Reaching California’s climate goals — and increasing safe, affordable, and equitable access to goods, services, and jobs — means accelerating a multimodal transportation system. Now that the CEQA exemption for sustainable transportation has been shown to work as intended, it can serve as a launchpad for other measures that would cut costs and timelines for critical transportation projects.

BUILD ON THE SUCCESS OF CALIFORNIA’S TEMPORARY CEQA EXEMPTION

CEQA exemptions for sustainable transportation are helping transit agencies and local jurisdictions to deliver 92 projects faster, better, and at lower cost. Many of these projects provide immediate safety, climate, and mobility benefits. Such projects can help earn the public’s trust in government capacity, efficiency, and effectiveness.

Other big benefits of CEQA exemptions: First, they help projects become “shovel ready” more quickly, improving the odds for receiving state and federal grants. Second, they provide a no-cost solution to help achieve the state’s climate goals. That’s because SB 288, SB 922, and AB 2503 simply updated state law to ensure that public agencies can deliver transit and sustainable transportation projects more quickly and cost-effectively.

SPUR recommends two changes to the sustainable transportation exemption for sustainable transportation:

RECOMMENDATION 1

Make the statutory CEQA exemption for sustainable transportation permanent.

Who’s responsible: California Legislature and Governor

Recently introduced SB 71 would make the exemption permanent. Passing this bill is a critical step toward reforming regulatory and permitting requirements that are heavily stacked against all kinds of sustainable transportation projects. As SPUR’s analysis shows, removing regulatory barriers can help local jurisdictions quickly and cost-effectively deliver commonsense projects that reduce greenhouse gas emissions.⁷ The fact that public agencies have claimed the exemption for 92 projects in a short period of time affirms the exemption’s value.

⁷ The legislature recently made other time-limited exemptions from CEQA permanent. For example, as a fiscal year 2024–2025 budget trailer bill (Section 21080.56 of the Public Resources Code), it removed the sunset date on the exemption for projects to conserve, restore, protect, or enhance California native fish and wildlife and their habitat.

RECOMMENDATION 2

Update the exemption to allow the project cost threshold to be adjusted over time and indexed to inflation.

Who's responsible: California Legislature and Governor

To maintain the spirit of the CEQA exemption once it becomes a permanent exemption, SPUR recommends that the Governor's Office of Land Use and Climate Innovation adjust the \$100 million project cost threshold every two years to reflect inflation in labor and materials costs. We also recommend that the office provide greater legal certainty about when the (inflation-indexed) cost threshold is applicable. Greater certainty is needed because project costs may continue to grow *after* project sponsors file a notice of exemption. Cost increases can stem from a number of sources, such as the cost of meeting other conditions of approval placed on the project by permitting entities or rising costs of materials or labor, for instance. Therefore, we recommend establishing a point-in-time basis for the threshold — specifically, that the applicability of the threshold be determined once at least 30% of the design or engineering work for the project has been completed. This reduces the risk that a project can be appealed if the project cost changes after the project sponsor's governing body takes an action to file an exemption.

FURTHER STREAMLINE SUSTAINABLE TRANSPORTATION IN CALIFORNIA

Although CEQA exemptions are necessary, they are not sufficient to fully streamline and expedite sustainable transportation projects. For example, project sponsors must obtain numerous permits and funding agreements, both before construction (for example, to vacate a street) and during construction (for example, to close a roadway). Consider the CEQA-exempted Monterey-Salinas Transit busway project (known as SURF!), which had to obtain several pre-construction and construction permits, meet more than 300 conditions of approval, and execute seven funding agreements to build a five-mile busway on an unused coastal rail corridor. In other words, there are many other steps in the review process that can slow a project down and add significant costs.

If one area of the law recognizes sustainable transportation projects as critical to the state, other regulatory and funding requirements should also recognize them as critical. SPUR recommends that the statutory CEQA exemption serve as a basis for additional permitting reforms for sustainable transportation in California. Said another way, projects that are eligible for the sustainable transportation CEQA exemptions should also be eligible for other forms of streamlining and regulatory relief. If they were, the state's regulatory and funding apparatus would be fully supportive of these priority projects.

SPUR recommends that the state legislature make CEQA-exempted projects eligible for other funding and regulatory benefits through three actions:

RECOMMENDATION 3**Provide full funding for projects that are eligible for the statutory CEQA exemption.**

Who's responsible: Caltrans, California State Transportation Agency (CalSTA), and California Transportation Commission

In many cases, projects take too long because the sponsor must cobble together funding from several sources over several grant cycles, allowing inflation to increase project costs. One of the best ways the state can support the delivery of projects more quickly and cost-effectively is to fully fund projects so that they can proceed without significant cost escalation.

RECOMMENDATION 4**Require local jurisdictions, state agencies, special districts, and utilities to use a standard project review application for projects that qualify for a CEQA exemption.**

Who's responsible: California Legislature and Governor

The permitting process is largely discretionary, which means that application conditions and requirements vary from one jurisdiction to another and can be interpreted in different ways by different staff members. A single project review application for single-jurisdiction projects and another for multi-jurisdiction projects would help end a discretionary review process that is often opaque, subjective, and loaded with uncertainty.

RECOMMENDATION 5**Require local jurisdictions, state agencies, special districts, and utilities to notify project sponsors when their application is complete and to approve or deny construction permits within a specified period.**

Who's responsible: California Legislature and Governor

Some jurisdictions delay projects simply by failing to review and approve pre-construction and construction permits in a timely manner. When jurisdictions withhold permits after a specified period, the project sponsor should be allowed to move forward with construction without a permit. Another way to incentivize cooperation from local and state agencies is to require them to pay the project sponsor for the cost of construction delay, thereby shifting the financial risk to the parties responsible for the delay.

Realizing Governor Gavin Newsom's vision of a "California for All" and meeting state climate goals require the state to create a multimodal transportation system that enables people to access what they need safely, affordably, and quickly. Clearing the runway of hurdles that drive up costs and slow delivery of projects without adding significant value will take time. But the CEQA exemption for sustainable transportation works as intended and should therefore be made permanent. Given that the exempted projects are emblematic of the types of projects California needs more of, the exemption should be the starting point for other types of regulatory and permit streamlining efforts in the state.



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