



AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Councilmember Charlene Wang

DATE: July 8, 2026

SUBJECT: Resolution in support of SB 954 (Blakespear)
Tightening CEQA Exemptions

In 2025, the Legislature enacted SB 131, a package of reforms to the California Environmental Quality Act (CEQA) that created a dozen new statutory exemptions. At the time of passage, several legislators raised concerns that the bill provided insufficient protections for sensitive species and tribal resources and that its definition of advanced manufacturing was overly broad, even as they supported the bill's overall aims. Following passage, a dozen Senators and twenty Assemblymembers signed a letter urging prompt corrective legislation, but no action has yet been taken.

SB 131's advanced manufacturing exemption relies on an expansive definition that covers nearly all manufacturing. As a result, even environmentally damaging activities such as strip mining and lithium extraction can qualify for a CEQA exemption without further protections or historic considerations, contrary to the spirit of CEQA. SB 131 also allowed projects on protected species habitat to proceed without environmental review, and it extended CEQA exemptions to childcare facilities in industrial zones while excluding those in residential areas.

SB 954 makes targeted corrections to SB 131 without disturbing its streamlining goals. The bill tailors manufacturing exemptions to facilities that are equipped with zero-emissions backup and 1,000-foot setbacks from disadvantaged communities. It also includes protections for tribal resources, community benefits agreements, and high roads labor standards.