



Jul 30, 2025

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New California Laws to Help Turn Brownfields Into Buildable Land

California's housing crisis and climate imperatives have prompted one of the most consequential overhauls of the California Environmental Quality Act in its 55-year history.

Two companion budget trailer bills, signed into law June 30, carve out broad CEQA exemptions for infill housing, transit-oriented development, and community facilities in developed urban areas, including previously contaminated or brownfield sites.

Together, [Assembly Bill 130](#) and [Senate Bill 131](#) create a more stable legal landscape for brownfield reuse. They codify lessons from CEQA case law, offering regulatory clarity and reducing litigation risk—while preserving public health protections through continued cleanup oversight.

For environmental attorneys, in-house counsel, and infill developers, these statutes represent a pivotal shift: CEQA now functions less as a barrier and more as a reliable framework for redevelopment on remediated land.

CEQA vs. Brownfields

Historically, infill projects on contaminated sites faced uphill battles under CEQA. Even after cleanup, many projects were disqualified, regardless of regulatory closure.

Agencies often defaulted to full environmental impact reports based on any expert claim of residual risk, which chilled infill investment. Litigation invoking speculative vapor intrusion or lingering soil contamination became a common tactic to delay or halt development.

Judicial decisions gradually provided clarity. In *Baird v. County of Contra Costa*, a state appeals court in 1995 held CEQA doesn't require analysis of existing contamination unless the project would worsen it. In *Parker Shattuck Neighbors v. Berkeley City Council*, the court upheld a mitigated negative declaration for a former gas

station site where mitigation eliminated potential impacts—even though the site was on the disqualification list.

Yet uncertainty lingered: These cases didn't ensure consistent agency treatment of mitigation, and outcomes remained unpredictable.

New Statutory Exemption

AB 130 establishes a CEQA exemption for housing-rich infill projects up to 20 acres in urbanized areas. It applies if the project is consistent with zoning, located on previously developed land, and avoids off-site environmental impacts—such as disruption to sensitive habitats or historic resources.

For brownfield projects, AB 130 is significant. It permits cleaned or remediated sites—with regulatory confirmation—to qualify for exemption even if previously listed as disqualified.

This removes a longstanding categorical disqualification that had forced full CEQA review. For near-miss projects, AB 130 narrows review to the specific disqualifying condition, avoiding unnecessary full-scope environmental analysis.

Strengthening Safe Harbors

SB 131 builds a statutory safe harbor for projects that mitigate contamination under regulatory oversight. It clarifies that properly mitigated contamination, confirmed by regulators, doesn't alone constitute substantial evidence of a significant environmental effect. CEQA review must defer to agency findings grounded in enforceable cleanup plans.

SB 131 also signals broader CEQA reform. It tightens permissible litigation documents, strengthens agency response timelines, and expands exempt project categories—including broadband and wildfire mitigation efforts. These reforms aim to reduce procedural gamesmanship and support timely infill development.

Supporters, including YIMBY housing advocacy groups, hailed the bills as transformative. Gov. Gavin Newsom called them “long

overdue.” Some critics raised concerns about reduced oversight, but both bills retain stringent cleanup standards and allow for public participation where contamination remains a question.

Policy, Legal Significance

AB 130 and SB 131 bring CEQA in line with judicial precedent and infill policy goals. They recalibrate CEQA’s “fair argument” standard, insulating projects on remediated sites from speculative litigation. Agencies need not respond to vague contamination claims when cleanup is already verified. This reduces delay and risk for urban developers.

Sites once excluded can now qualify for exemptions if remediation is complete. For borderline cases, CEQA review is limited to the specific disqualifying factor, rather than opening the door to full environmental scrutiny. These changes bring much-needed consistency and predictability to brownfield redevelopment.

More broadly, the legislation reinforces that redevelopment of cleaned urban sites supports California’s housing, climate, and equity goals. Infill housing near transit reduces emissions, revitalizes neighborhoods, and reuses degraded land. When residents see that cleanup is complete and development is responsible, community support strengthens.

Together, AB 130 and SB 131 transform CEQA into a framework for enabling—not obstructing—sustainable redevelopment.

Practical Guidance

To take advantage of these reforms, developers should begin with comprehensive environmental assessments—Phase I and II reports—to shape project design and remediation strategy. These reports help determine exemption eligibility and provide factual foundation for streamlined CEQA treatment.

Securing early regulatory confirmation is critical. Developers should obtain enforceable cleanup plans or written determinations from the Department of Toxic Substances Control or the relevant Regional Water Quality Control Board indicating that oversight is

complete. These documents serve as essential evidence supporting exemption eligibility and legal defensibility.

Maintaining a clear and complete administrative record is vital. Developers and counsel should document all mitigation, regulatory communications, and environmental findings, especially when pursuing a mitigated negative declaration or categorical exemption. This record will be central to defending the project in court, if needed.

Coordination with local planning staff is also important. Some jurisdictions may not yet have aligned their procedures with AB 130 and SB 131. Developers should verify that local practices conform to state law to avoid procedural obstacles.

Even as CEQA review becomes more efficient, developers should maintain transparent community engagement—particularly in neighborhoods with past environmental harm. Communicating remediation outcomes and long-term protections builds trust and supports project success.

By internalizing the principles of *Parker Shattuck* and *Baird*, AB 130 and SB 131 usher in a modernized CEQA that aligns with California's urgent housing, environmental, and equity priorities. They allow agencies, developers, and legal advisors to transform blighted parcels into productive urban infill—without compromising environmental protection.

The new message is clear: Once cleanup is complete, CEQA should no longer stall progress. It should help deliver it.

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