



Igor Tregub, Councilmember District 4

Ben Bartlett, Councilmember District 3

Cecilia Lunaparra, Councilmember District 7

CONSENT CALENDAR

June 16, 2026

To: Honorable Mayor and Members of the City Council

From: Councilmember Igor Tregub (Author), Councilmember Ben Bartlett (Co-Sponsor), Councilmember Cecilia Lunaparra (Co-Sponsor)

Subject: Adopt a Position of Support for SB 954 (Blakespear): Addressing Non-Housing CEQA Exemptions for Industrial Manufacturing and Environmental Health Protections.

RECOMMENDATION

Adopt a Position of support for California Senate Bill (SB) 954 (Blakespear), which amends non-housing California Environmental Quality Act (CEQA) exemptions enacted in SB 131 (2025), including clarifying and narrowing the “advanced manufacturing” exemption, establishing environmental and labor safeguards for exempt industrial projects, extending CEQA exemptions for daycare facilities in residential zones, and ensuring habitat for protected species remains subject to environmental review, and distribute copies to Governor Gavin Newsom, Senators Jesse Arreguín and Catherine Blakespear, and Assemblymember Buffy Wicks to support its passage.

CURRENT SITUATION AND ITS EFFECT

In 2025, the California Legislature enacted SB 131, a broad CEQA reform measure that created numerous new and expanded exemptions from environmental review. While much of the public discussion surrounding SB 131 focused on streamlining housing production and climate-resilient infrastructure, the legislation also established significant new exemptions for non-housing industrial and manufacturing projects categorized as “advanced manufacturing.”¹ The current statutory definition of “advanced manufacturing” is extremely broad and was adapted from an economic development tax

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB131

credit framework rather than an environmental review context, potentially applying to industrial activities such as lithium extraction², plastics processing, chemical manufacturing, fertilizer production, metal recycling, pesticide manufacturing, and medical waste incineration.

These exemptions allow qualifying industrial projects to bypass portions of CEQA review that would otherwise evaluate and mitigate impacts to air quality, water quality, tribal cultural resources, environmentally sensitive habitat, and nearby residential communities. Environmental justice advocates, labor organizations, tribal representatives, and legislators raised concerns that the exemption lacked adequate safeguards and could expose communities, particularly low-income communities and communities of color already burdened by cumulative pollution, to increased toxic emissions and industrial hazards. Potential health impacts associated with inadequately reviewed industrial facilities include exposure to particulate matter, volatile organic compounds, heavy metals, and other hazardous pollutants linked to asthma, respiratory illness, cardiovascular disease, cancer risk, and adverse childhood health outcomes, especially in sites near schools, daycare centers, and senior housing facilities.

12 state Senators and 20 state Assemblymembers subsequently signed a letter urging corrective legislation to address these unresolved issues. SB 954 was introduced as a targeted clean-up measure intended to ensure that CEQA reforms are implemented consistently with California's environmental justice, public health, labor, and tribal protection goals. Importantly, SB 954 pertains only to the non-housing industrial and manufacturing provisions enacted under SB 131 and does not alter existing housing streamlining measures.³ The bill would narrow the advanced manufacturing exemption by adding environmental and public health guardrails, including zero-emission backup generation requirements, industrial zoning and setback standards, protections for tribal cultural resources, and community benefits and labor standards. The bill would also expand the daycare CEQA exemption to include residentially zoned daycare facilities and ensure habitat for protected species remains subject to environmental review.

SB 954 is supported by a broad coalition of labor, environmental justice, public health, and environmental organizations, such as the Planning and Conservation League, Sierra Club California, Environment California, Clean Water Action, and Save the Bay,⁴ also including the Alameda Labor Council, Asian Pacific Environmental Network Action, California Nurses Association, Communities for a Better Environment, Natural Resources Defense Council, West Oakland Environmental Indicators Project, and Urban Habitat.

² Fact Sheet

³ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB954

⁴ <https://righttoknow-wicks.org/>

Supporting SB 954 aligns with the City's commitments to environmental justice, public health, labor protections, and equitable land use policy by ensuring that industrial development does not disproportionately burden vulnerable communities with additional toxic pollution and associated health impacts.

ENVIRONMENTAL SUSTAINABILITY

This item supports legislation intended to reduce harmful industrial pollution, preserve sensitive habitat, protect tribal cultural resources, and strengthen environmental safeguards for communities located near industrial operations.

FINANCIAL IMPLICATIONS

Minimal staff time is associated with outreach to the recipients.

CONTACT PERSON

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Attachments:

1. Proposed Language for Letter of Support
2. Fact Sheet

Date: June 16, 2026

The Honorable Gavin Newsom

Governor of California

The Honorable Catherine Blakespear

California State Senate

The Honorable Jesse Arreguín

California State Senate

The Honorable Buffy Wicks

California State Assembly

RE: Support for Senate Bill 954 (Blakespear) – Environmental Justice and Public Health Safeguards for CEQA Exemptions

Dear Governor Newsom, Senator Blakespear, Senator Arreguín, and Assemblymember Wicks:

The Berkeley City Council is writing to express our strong support for Senate Bill 954 (Blakespear), which provides important clarifications and safeguards to the non-housing California Environmental Quality Act (CEQA) exemptions enacted through Senate Bill 131 (2025). We respectfully urge your support for this measure and its timely passage.

The current statutory definition of advanced manufacturing is exceptionally broad and was adapted from an economic development tax credit framework rather than one designed to protect environmental and public health interests. As a result, the exemption may apply to a wide range of industrial activities, including lithium extraction, plastics processing, chemical manufacturing, fertilizer production, metal recycling, pesticide manufacturing, and medical waste incineration.

These industrial activities can generate significant environmental and public health impacts if not appropriately reviewed and mitigated. By allowing qualifying projects to bypass portions of CEQA review, the current exemption may limit evaluation of potential impacts to air quality, water quality, tribal cultural resources, environmentally sensitive habitat, and nearby residential communities. Communities already experiencing disproportionate pollution burdens, including many low-income communities and communities of color, could face increased exposure to toxic emissions and industrial hazards without adequate environmental safeguards.

SB 954 provides a balanced and targeted solution. The bill does not alter the housing streamlining provisions enacted under SB 131. Instead, it focuses specifically on non-

housing industrial and manufacturing exemptions by establishing reasonable environmental, labor, and public health guardrails. Among other provisions, SB 954:

- Clarifies and narrows the advanced manufacturing exemption to ensure it is applied appropriately;
- Requires important environmental and public health protections, including zero-emission backup generation requirements and industrial zoning and setback standards;
- Protects tribal cultural resources and community interests;
- Establishes community benefit and labor standards for exempt projects;
- Extends CEQA exemptions for daycare facilities located in residential zones; and
- Ensures that habitat for protected species remains subject to environmental review.

These amendments help preserve California's commitment to environmental justice while maintaining support for economic development and clean industry. The bill reflects the concerns raised by legislators, labor organizations, environmental justice advocates, tribal representatives, and public health experts who have called for greater accountability and safeguards in the implementation of SB 131.

SB 954 is supported by a broad coalition of organizations dedicated to protecting public health, workers, and the environment, including the Planning and Conservation League, Sierra Club California, Environment California, Clean Water Action, Save The Bay, the Alameda Labor Council, Asian Pacific Environmental Network Action, California Nurses Association, Communities for a Better Environment, Natural Resources Defense Council, West Oakland Environmental Indicators Project, and Urban Habitat.

Supporting SB 954 is consistent with the City of Berkeley's commitment to environmental justice, public health protection, responsible land use planning, worker protections, and equitable economic development. The bill ensures that industrial growth does not come at the expense of vulnerable communities and helps maintain public confidence in California's environmental review process.

For these reasons, Berkeley City Council respectfully supports Senate Bill 954 and urges its passage.

Sincerely,

Berkeley City Council

cc: Governor Gavin Newsom
Senator Catherine Blakespear
Senator Jesse Arreguín
Assemblymember Buffy Wicks



SENATOR
CATHERINE BLAKESPEAR
 SENATE DISTRICT 38



SB 954: Tightening CEQA Exemptions

SUMMARY

SB 954 makes targeted changes to last year's California Environmental Quality Act (CEQA) reforms enacted in SB 131. In particular, the bill would narrow overly broad definitions of advanced manufacturing, add environmental guardrails to protect communities, and clarify language so the original intent of SB 131 is followed without harming the environment, labor or tribal resources.

BACKGROUND

SB 131 created numerous changes to CEQA, adding a dozen new exemptions, including for housing, high speed rail facilities, and most significantly, "advanced manufacturing."

At the time of SB 131's passage, several legislators raised concerns about insufficient protections for sensitive species and tribal resources, and an overly broad definition for advanced manufacturing, while at the same time supporting the main thrust of the bill.

A dozen Senators and 20 Assemblymembers signed a letter urging prompt legislation to fix these outstanding issues, but no action has been taken yet.

PROBLEM

SB 131's CEQA exemption for advanced manufacturing relies on an expansive definition originally developed for a tax credit program that covers almost all manufacturing. This means that even manufacturing that is damaging to the

environment, such as strip mining and lithium extraction, gets a CEQA exemption, without other historic considerations or protections required. This runs counter to the spirit of CEQA.

Additionally, SB 131 permitted childcare facilities in industrial zones – but not in residential areas – to qualify for CEQA exemptions and allowed projects on habitat for protected species to move forward without environmental review.

SOLUTION

SB 954 strengthens protections for habitat of protected species, extends CEQA exemptions for residential daycare facilities, and adds clear environmental guardrails to the CEQA exemption for advanced manufacturing. Specifically, this bill requires projects to: 1) have zero emission backup generation; 2) be sited in heavy industrial zones with setbacks of 1,600 feet from sensitive receptors and 1,000-foot setbacks from disadvantaged communities; 4) not harm tribal resources; and 5) include a community benefits agreement and high roads labor standards. The bill requires the governor to certify these projects as 'advanced manufacturing' leaders, that are not only more efficient, but also more environmentally sound than current industry standards. This bill also specifies the intent of the Legislature to further narrow the definition of advanced manufacturing to appropriate sectors, allowing room for stakeholders and the Legislature to continue discussions on the definition of advanced manufacturing and CEQA exemptions.

SB 954 fulfills commitments made to address SB 131's outstanding issues and ensures that CEQA reforms are implemented thoughtfully, balancing streamlining with environmental protections to support a clean and abundant future for all Californians.

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