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STATE OF CALIFORNIA
GOVERNOR'S OFFICE *of* PLANNING AND RESEARCH



KEN ALEX
DIRECTOR

June 25, 2012

Secretary John Laird
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Re: Proposed Additions to the CEQA Guidelines Streamlining Infill Projects (SB 226)

Secretary Laird,

I am pleased to present to you the Governor's Office of Planning and Research's final proposed additions to the Guidelines Implementing the California Environmental Quality Act pursuant to Senate Bill 226 (2011, Simitian). This proposal implements new CEQA provisions to streamline the environmental review of infill projects. This proposal also includes performance standards that govern eligibility for that streamlined process. These proposed changes will significantly reduce the time and cost of environmental review for certain infill projects that create environmental benefits.

Immediately upon SB 226's enactment, OPR solicited input from technical experts, local governments, infill builders and stakeholders to guide the development of this proposal. During this process, OPR has learned several key lessons about infill development, both through its own research as well as in workshops, meetings and hundreds of informal conversations. Some of those lessons include the following:

- Knowing that California will soon be home to 50 million people, infill development is an essential strategy to manage growth in way that preserves our limited natural and fiscal resources. Though infill has been a state policy priority for over three decades, our urbanized footprint has pressed ever outward, and at alarming rates. With recent science showing that the Earth's climate is already changing with dangerous consequences, we cannot allow existing trends to continue.
- Vehicle miles travelled matter. In areas of the region where people tend to drive less, new projects will tend to require less driving, thereby preserving energy and reducing greenhouse gasses and other harmful emissions. Such areas also tend to promote more efficient building design and encourage use of transit and active modes of transportation. An essential component of good infill, therefore, is the ability to significantly reduce driving.
- If our policy objective is to promote infill by streamlining the normal CEQA process, that streamlining benefit must be meaningful and the process must be relatively simple to understand. SB 226 provided wide discretion in developing the performance standards.

Therefore, OPR designed this proposal to maximize the environmental objectives listed in SB 226 using the fewest possible performance standards. Further, those standards were designed to enable mapping of areas that are eligible for streamlined review. The procedure described in this proposal will provide a substantial streamlining benefit to eligible projects. In many cases where local plans are detailed and thorough, individual development projects will not require additional CEQA review. This is a significant change in the status quo. While controversial, minimizing process is necessary to achieve the goals of the SB 226.

- Infill development requires thoughtful attention to public health, equity and other local concerns. This proposal addresses such issues in a manner that is appropriate in the CEQA context; however, OPR will continue to investigate how such issues can best be addressed at a plan-level, and may provide further guidance in an update to the General Plan Guidelines.

OPR's proposal reflects these lessons. This package contains the following materials:

- A proposed new Section 15183.3 (setting forth the streamlined procedure for infill projects)
- A proposed new Appendix M (containing the performance standards that govern eligibility for streamlining)
- A proposed new Appendix N (a checklist to document a project's satisfaction of the performance standards and prior review of the project's effects)
- A narrative setting forth the technical and legal research supporting the proposal
- A responses to comments document explaining OPR's evaluation of public comments
- Copies of public comments received during the first and second rounds of public review
- A summary of OPR's outreach process and related materials

OPR staff will be available to assist you as the Natural Resources Agency advances this proposal through the rulemaking process. Please do not hesitate to contact Chris Calfee (christopher.calfee@opr.ca.gov) or Chris Ganson (chris.ganson@opr.ca.gov) with any questions regarding these materials.

Sincerely,



Ken Alex
Director

Enclosures