

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 415 (Reyes) – As Amended June 26, 2025

SENATE VOTE: 38-0

SUBJECT: Planning and zoning: logistics use developments: truck routes

SUMMARY: Makes various changes to AB 98 (Carrillo, Reyes), Chapter 931, Statutes of 2024, (AB 98), which regulates warehouse development. Specifically, **this bill:**

- 1) Clarifies that logistics uses must meet or exceed all requirements of the most current building energy efficiency standards in effect at the time the building permit is issued.
- 2) Clarifies that trucks are prohibited from idling at loading bays if the truck is capable of plugging in at the loading bay and sufficient power is available.
- 3) Clarifies that the definition of “logistics use” applies to a building that is a “primarily used as a warehouse for the movement or storage of cargo, goods or products”, as specified.
- 4) Provides that a building that serves a primary agricultural use that is actively operated for a single period of 90 days or less each year is not a “logistics use”, as defined.
- 5) Provides that land that will be used to ensure the public’s right of access to the sea pursuant to the California Coastal Act, as specified, is not a “sensitive receptor”, as defined.
- 6) Clarifies that the “warehouse concentration region” (WCR) includes the unincorporated areas within the Counties of Riverside and San Bernardino, rather than the entire counties.
- 7) Clarifies that local roads shall be considered to predominantly serve commercial, agricultural, or industrial uses if more than 50% of the properties fronting the road within 1,000 feet of the sites truck entrances and exits are designed for commercial, agricultural, or industrial use.
- 8) Provides that the protection afforded to a proposed logistics use development in the entitlement process, before September 30, 2024, shall not apply if “construction activity” does not begin within 5 years from the date the entitlement process was completed, instead of “development activity.”
- 9) Clarifies that the housing replacement provisions of AB 98 shall not be construed to limit or preclude compliance with existing housing law relating to the replacement of affordable housing units that have been demolished, as specified.
- 10) Requires a county or city to maximize use of arterial roads, major thoroughfares, and local roads that predominantly serve commercial, agricultural, or industrial uses, instead of “predominantly commercially oriented local streets”, when state or interstate highways are not utilized.

- 11) Requires cities or counties to provide for posting of conspicuous signage to identify truck routes and additional signage for truck parking and appropriate locations for idling and parking, instead of “idling facility locations”.
- 12) Requires cities or counties that are not in the WCR to update their circulation elements within the following timelines:
 - a) A city with a population that is greater than 50,000 persons or a county with a population that is greater than 100,000 persons shall implement the provisions of AB 98 by January 1, 2028.
 - b) A city with a population that is equal to, or less than, 50,000 persons or a county with a population that is equal to, or less than, 100,000 persons shall implement the provisions of AB 98 by January 1, 2035.
- 13) Requires, for purposes of 12) above, the population of a county to be determined by the population of the unincorporated areas.
- 14) Provides that in an action brought by the Attorney General, a jurisdiction that is in violation of AB 98 and that has not made a good effort to meet the requirements of AB 98 will be subject to civil penalties that include the following costs:
 - a) A civil penalty of up to \$50,000 every six months, for each violation, accrued from the date of the violation until the violation is cured.
 - b) All costs of investigating and prosecuting this action, including expert fees, reasonable attorney’s fees, and costs.
 - c) Other relief deemed appropriate by the court.
- 15) Includes various technical and conforming changes.
- 16) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill, as specified.

EXISTING LAW:

- 1) Establishes, pursuant to AB 98 (Carrillo, Reyes), Chapter 931, Statutes of 2024, design and operation standards, setback requirements, housing replacement requirements for non-deed restricted units, and requirements on truck routes for logistics use developments across California and the WCR as defined by the bill. [Government Code (GOV) § 65098-65098.9]
- 2) Requires local agencies to update their circulation element by 2028 or by 2026 for jurisdictions in the WCR. (GOV § 65302.02)
- 3) Requires the South Coast Air Quality Management District (SCAQMD) to monitor air quality and collect air pollution measurements in communities near logistics use operations in Riverside and San Bernardino Counties. [Health and Safety Code (HSC) § 40458.5]

- 4) Requires SCAQMD to establish a process for receiving community input on how any penalties for violations of the Warehouse Indirect Source Rule are spent. (HSC § 40522.7)

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

- 1) **Bill Summary.** SB 415 makes a number of clarifying and technical change to AB 98. SB 415 narrows the definition of “logistics use” to be a building that is primarily used as a warehouse for the movement or the storage of cargo, goods, or products, and excludes agricultural buildings that are operated for less than 90 consecutive days a year. This bill also exclude land that will be used to ensure the public’s right of access to the sea, pursuant to the California Coastal Act of 1976, from the list of sensitive receptors.

Current law under AB 98 requires a logistics use that demolishes any housing unit that was occupied in the last 10 years, to replace those units with two units of moderate- or low-income housing per one housing unit demolished, as specified. If residential dwellings are affected through purchase, the developer must provide any displaced tenant with an amount equivalent to 12 months’ rent at the current rate. In comparison, the Housing Crisis Act requires one to one replacement of demolished housing units, as well as specified relocation assistance and a right to return. This bill provides that nothing in AB 98 limits or precludes compliance with the Housing Crisis Act’s requirements.

Existing law requires local governments to update their circulation elements by 2028 or 2026 for jurisdictions within the WCR. This bill extends the timelines in AB 98 for jurisdictions with a population equal to, or less than, 50,000 persons or a county with a population that is equal to, or less than 100,000 persons in the unincorporated areas of the county, from 2028 to 2035.

AB 98 authorized the Attorney General to enforce provisions of AB 98 that require an update to the circulation element and to impose a fine against a jurisdiction that is in violation of those provisions. This bill instead provides that in an action brought by the Attorney General, a jurisdiction that is in violation and is not acting in good faith to come into compliance with the provisions of AB 98 is subject to the following penalties:

- a) A civil penalty of up to \$50,000 every six months, for each violation, accrued from the date of the violation until the violation is cured;
- b) All costs of investigating and prosecuting this action, including expert fees, reasonable attorney’s fees, and costs; and
- c) Other relief deemed appropriate by the court.

SB 415 provides that civil penalties collected pursuant to this bill must be paid to the Attorney General.

Current law specifies that the truck routes must direct travel along arterial roads, major thoroughfares, or “local roads that predominantly serve commercially oriented uses,” and defines that term to mean roads with 50% of the properties fronting the road within 1,000

feet are designated for commercial or industrial uses in the local zoning ordinance. This bill adds agricultural uses to this list and states that the 1,000 foot length of road must be measured from the truck entrances and exits. This bill also contains a number of additional clarifications to AB 98.

This bill is author sponsored.

- 2) **Author's Statement.** According to the author, "Logistics facilities have proliferated and encroached around all types of communities in the Inland Empire. This proliferation has led to a public health crisis resulting in over 4,000 individual warehouses occupying about 1 billion square feet in the region that generate approximately 600,000 truck trips a day which is equivalent to 50 million pounds of carbon dioxide. The Department of Justice has identified that other parts of the state, such as the Central Valley, as prime locations for logistics expansion. Without proper guardrails and a framework for logistics development the issue in the Inland Empire could be replicated in other parts of the state.

"This is why last year Assemblymember Carrillo and I authored, and Governor Newsom later signed AB 98 which required new design build standards for '21st Century Warehouses,' planning requirements for local governments, and setbacks from sensitive receptors dependent on the size of the warehouse. While a framework was put into place there were outstanding issues that need to be addressed such as: definitional questions, enforcement, cross applications with other existing laws, general clarifications, and the assessing requests from stakeholders regarding implementation. This year we have authored SB 415 and AB 735 to clarify this area of state law."

- 3) **General Plans.** State law provides additional powers and duties for cities and counties regarding land use. Each city and county must prepare and periodically update a comprehensive, long-range general plan to guide future planning decisions. The general plan has seven mandatory elements: land use, circulation, housing, conservation, open-space, noise, and safety. General plans must also either include an eighth element on environmental justice, or incorporate environmental justice concerns throughout the other elements. Cities and counties may adopt optional elements that address issues of their choosing, and once adopted, those elements have the same legal force as the mandatory elements. The general plan must be "internally consistent," which means the various elements cannot have conflicting information or assumptions.

Although state law spells out the plans' minimum contents, it also says local officials can address these topics to the extent to which they exist in their cities and counties, and with a specificity and level of detail reflecting local circumstances. Similarly, state law does not require cities and counties to regularly revise their general plans (except for the housing element, which must generally be revised every eight years).

- 4) **Circulation Element.** The circulation element identifies the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and other local public utilities and facilities. Generally, this element contains detailed maps, standards for operation, policies, and financing plans. It serves as an infrastructure plan and must correlate with the land use element.

- 5) **Logistics Development in California.** The proliferation of e-commerce and consumer expectations for rapid shipping contributed to a boom in warehouse development in California. The Environmental Justice Bureau at the Department of Justice (DOJ) notes that in the Inland Empire alone, 150 million square feet of new industrial space was developed from 2009-2019, and that 21 of the largest 100 logistics leases signed in 2019 were located in the Inland Empire.
- 6) **Best Practices and Mitigation Measures.** DOJ adopted a guidance memo titled Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act, last updated September 2022. The memo identifies best practices for avoiding and mitigating impacts associated with warehouse development. The memo relies heavily on research prepared by the California Air Resources Board (CARB). Among the recommendations proposed in the memo related to the siting and design of warehouses, the memo notes that a best practice includes "Per CARB guidance, siting warehouse facilities so that their property lines are at least 1,000 feet from the property lines of the nearest sensitive receptors." The underlying data the memo cites in support of this recommendation found an 80% drop off in the concentration of diesel particulate matter emissions from distribution centers at approximately 1,000 feet. CARB and the South Coast Air Quality Management District (SCAQMD) analyses indicate that providing a separation of 1,000 feet would substantially reduce diesel particulate matter concentrations and public exposure downwind of a distribution center.
- 7) **CEQA and Local Approval.** CEQA requires public agencies to study and mitigate, to the extent feasible, the environmental impacts of proposed projects, providing a key protection for the environment and residents of California. Under CEQA, a local agency carrying out a discretionary project must first determine if the project may have a significant effect on the environment. If a local agency finds that the potential for significant environmental impacts exists, CEQA requires the agency to prepare and certify the completion of an EIR.

A lead agency may approve a project with unavoidable (unmitigated) adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a "statement of overriding considerations." Approval of discretionary projects such as warehouse facilities is subject to CEQA and the lead agency must prepare an EIR if the project may have potentially significant environmental impacts.

In practice, cities and counties may exercise this authority to approve projects that may significantly impact local residents. For example, the City of Perris prepared a Statement of Facts and Findings and Overriding Considerations for a proposed logistics development involving more than 1.7 million square feet of warehouse space. The City found in the Final EIR that the proposed project, located 300 feet from existing residents, would create long-term operational emission and cumulative criteria pollutants that constituted significant and unavoidable impacts. However, the City found such unmitigated effects were acceptable in view of specified overriding considerations. Among the overriding considerations cited were the creation of 685 new jobs and an estimated increase of \$215,000 in additional city tax revenue.

- 8) **Stockton and Fontana Warehouse Settlement Agreements.** In 2022, DOJ reached two separate settlement agreements with the City of Fontana and the City of Stockton relative to their approval of warehouse developments. In both settlements, DOJ intervened during the CEQA process where the city was acting as the lead agency approving a warehouse development. In the City of Fontana, DOJ filed a lawsuit against the city in July of 2021 challenging its approval of the project and arguing that Fontana's limited environmental review violated CEQA. In the City of Stockton, DOJ submitted letters to the city outlining concerns that its environmental review of the proposed warehouse project failed to adopt all feasible mitigation measures as required by CEQA. In April of 2022, DOJ announced a settlement agreement with the City of Fontana, the warehouse developer, and other litigants in the case. In December of 2022, DOJ announced a settlement agreement with the City of Stockton regarding its approval of warehouse developments.
- 9) **CARB Clean Truck Rules.** In 2020, CARB adopted the Advanced Clean Truck (ACT) regulation to accelerate a large-scale transition to zero-emission medium-and heavy-duty vehicles from Class 2b to Class 8. One component of the regulation is a manufacturer sales requirement. Manufacturers who certify Class 2b-8 chassis or complete vehicles with combustion engines would be required to sell zero-emission trucks as an increasing percentage of their annual California sales from 2024 to 2035. By 2035, zero-emission truck/chassis sales would need to be 55% of Class 2b– 3 truck sales, 75% of Class 4 – 8 straight truck sales, and 40% of truck tractor sales.

To further the transition to a zero-emission fleet, at the end of 2020, Governor Newsom issued Executive Order (EO) N-79-20, which requires 100% of medium- and heavy-duty vehicles in the state be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. EO N-79-20 charges CARB with developing and proposing medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the state towards that goal. CARB has finalized the Advanced Clean Fleet regulation, which sets a schedule for light-duty, medium-duty, and heavy-duty vehicles to meet zero-emission goals.

- 10) **South Coast Indirect Source Rule (ISR).** In 2021, the SCAQMD adopted the Warehouse ISR, which requires warehouses greater than 100,000 square feet to directly reduce nitrogen oxide (NOx) and diesel particulate matter (PM) emissions, or to otherwise reduce emissions and exposure of these pollutants in nearby communities.

As part of the rule, warehouse operators will need to earn a specified number of points annually. These points can be earned by completing actions from a menu that includes acquiring and using natural gas near-zero and/or zero-emission on-road trucks, zero-emission cargo handling equipment, solar panels, or zero-emission charging and fueling infrastructure and more. As alternatives to the points system, warehouse operators can prepare and implement a custom plan specific to their site or choose to pay a mitigation fee. Funds from mitigation fees will be used to incentivize the purchase of cleaner trucks and charging/fueling infrastructure in communities near the warehouse that paid the mitigation fee.

- 11) **AB 98 of 2024.** In response to growing concerns about the effects of warehouses on sensitive receptors, the Legislature enacted AB 98 (Carrillo and Reyes, 2024). AB 98 establishes minimum requirements that must be met for local agencies to approve development of new or expanded logistics uses (warehouses) on or after January 1, 2026 that have loading bays

within 900 feet of schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds. These standards required logistics uses to be located on larger roads, unless it is impractical to do so, and established, among other requirements:

- a) Minimum distances (setbacks) between loading bays and the property line of a sensitive receptor of 300 feet if the project is proposed on land that is zoned for industrial use, or 500 feet if not;
- b) Buffer zones around the properties that screen sensitive receptors using trees and walls;
- c) Site design requirements, such as orienting loading bays on the opposite side of the facility from sensitive receptors where feasible; and
- d) Building electrification requirements; and operational requirements (including phased-in mandates for zero-emission forklifts and other equipment, where feasible).

The bill also required developers to replace any demolished housing on a two-for-one basis with affordable units, along with providing relocation payments to displaced tenants.

AB 98 applied the criteria to logistics uses in the WCR, which includes Counties of Riverside and San Bernardino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernardino. Among other things, all new or expanded logistics uses in the WCR must have a 500-foot setback from nearby sensitive receptors.

Logistics uses under 250,000 square feet do not have to meet as stringent standards, including no required setbacks if they are on industrial land. The law also includes specific exemptions for certain projects already existing or in the planning process before September 30, 2024.

Furthermore, AB 98 mandated that all cities and counties update their general plan's circulation element by January 1, 2028 (or January 1, 2026, for jurisdictions in the WCR) to designate truck routes that avoid residential areas and sensitive receptors, maximizing the use of highways and major arterials. The bill included requirements for public input and making route maps publicly available.

Finally, AB 98 directed the South Coast Air Quality Management District to conduct air quality monitoring near warehouses in Riverside and San Bernardino Counties and report on pollution impacts to evaluate the effectiveness of the mandated setbacks.

- 12) **Related Legislation.** AB 735 (Carrillo) makes various changes to AB 98 (Carrillo, Reyes), which regulates warehouse development. AB 735 (Carrillo) and SB 415 (Reyes) are identical. AB 735 (Carrillo) is in Senate Judiciary Committee.
- 13) **Previous Legislation.** AB 1000 (Reyes, 2023) contained similar provisions to AB 2840, but would have allowed setbacks as low as 500 feet if specified mitigation requirements were met. AB 1000 was held in this Committee.

AB 1748 (Ramos, 2023) would have required specified local agencies to impose a 300-foot setback requirement on parcels that are adjacent to sensitive receptors and include a

warehouse that is larger than 400,000 square feet unless the local agency adopts specified alternative policies. AB 1748 was held in the Assembly Appropriations Committee.

AB 2840 (Reyes, 2022) would have required cities and counties within the Counties of Riverside and San Bernardino to impose setbacks of 1,000 feet from residences, schools, and other sensitive receptors, or equivalently protective alternative measures, as specified. AB 2840 was held in the Senate Governance and Finance Committee.

14) **Arguments in Support.** None on file.

15) **Arguments in Opposition.** The City of Ontario writes in opposition, “The City of Ontario strive to be a good steward to the region and our community and to ensure the development of a well-planned, balanced, and self-sustaining community. It is our strong opinion that cities improving the quality of life, supply chain needs, and inflation are critical issues all cities are facing. Applying the proposed requirements to projects currently in the pipeline will significantly disrupt economic development and job creation.”

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

City of Ontario
Madera County Board of Supervisors

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