

California Housing To Change Under New Law: What to Know

California Governor [Gavin Newsom](#) signed two bills on Monday that scaled back the state's environmental restrictions to allow for more home building to combat the ongoing housing shortage.

The new housing legislation weakens the California Environmental Quality Act, known as CEQA, allowing for some housing projects to sidestep the landmark law that critics said allowed neighbors to block building projects in their community they did not like.

Why It Matters

CEQA, passed in 1970 and signed into law by then-Governor Ronald Reagan, has attracted criticism in recent years and been blamed for contributing to the Golden State's housing shortage. The law, according to critics, has been abused by so-called "Not In My Backyard" (NIMBY) efforts, sometimes stalling developments for reasons not driven by legitimate environmental concerns.

California Governor Gavin Newsom (R) speaks as California Attorney general Rob Bonta looks on during a news conference at Gemperle Orchard on April 16... | *Justin Sullivan/Getty Images/Justin Sullivan/Getty Images*

Despite recent backlash against the law, many lawmakers were conflicted about passing the two bills, especially [Democrats](#). Newsom blocked a standstill in the state [Senate](#) by threatening to reject the state budget unless it included the new housing reform.

"This was too important to play chance," Newsom said during a press conference on Monday evening.

The Democratic governor, who is rumored to be considering a 2028 presidential run, called the two bills the "most

consequential housing reform that we've seen in modern history in the state of California."

What To Know

The bills signed by Newsom on Monday are Assembly Bill 130, introduced by Assemblymember Buffy Wicks, and Senate Bill 131, introduced by Senator Scott Wiener.

Assembly Bill 130 exempts most urban housing projects from CEQA, forcing only high-rise—taller than 85 feet—and low-income developments to pay union-level wages for construction workers.

Senate Bill 131 also creates new exemptions from CEQA requirements, streamlining approvals for housing construction, including for nonresidential projects such as child care centers, health clinics, advanced manufacturing facilities and more.

Many are thrilled about the changes the new bills will enable. Southern California land-use attorney Dave Rand said the bills provide "clear, concise, and straightforward CEQA exemptions," predicting that "several projects that have been waiting for this day can now move forward," as quoted by the *Los Angeles Times*.

What People Are Saying

Newsom said during a press conference on Monday

evening: "This is so much bigger in many ways than the issue itself. It is about the reputation of not just Sacramento and the legislative leadership and executive leadership, but the reputation of the state of California."

Wiener said in a press release: "These new CEQA reforms are a bold step forward toward tackling the root causes of California's affordability crisis. The high costs devastating our communities stem directly from our extreme shortage of housing, child care, affordable healthcare, and so many of the other things families need to thrive."

He added: "These bills get red tape and major process hurdles out of the way, allowing us to finally start addressing these shortages and securing an affordable California and a brighter future."

Dave Rand, Southern California land-use attorney, told the *Los Angeles Times* on Monday: "Several projects that have been waiting for this day can now move forward."

What Happens Next

With the new laws in effect as of July 1, housing developers are expected to move quickly to initiate projects previously hindered by CEQA litigation. Whether the new legislation will actually speed up the pace of new home construction and

ease the Golden State's housing shortage will only become clear in the coming months.