

AMENDED IN SENATE MARCH 24, 2026

SENATE BILL

No. 958

Introduced by Senator Weber Pierson

February 2, 2026

~~An act relating to housing.~~ *An act to add Section 21080.75 to the Public Resources Code, relating to environmental quality.*

LEGISLATIVE COUNSEL'S DIGEST

SB 958, as amended, Weber Pierson. ~~Affordable housing.~~ *California Environmental Quality Act: exemption: City of San Diego: Midway Rising Specific Plan.*

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA exempts from its requirements various activities and projects.

This bill would exempt from the requirements of CEQA a project associated with the Midway Rising Specific Plan in the City of San Diego, including any activity or approval necessary for, or incidental to, development, planning, design, subdivision, financing, leasing, construction, operation, or maintenance, provided that the activity is carried out in substantial conformance with the plan and meets, or is

consistent with, specified conditions, including conditions related to sustainability. Because a lead agency would be required to determine whether a project qualifies for this exemption, the bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of San Diego.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law provides in the Legislature’s findings and declarations that it has provided reforms and incentives to facilitate and expedite the construction of affordable housing, as specified.~~

~~This bill would express the intent of the Legislature to enact legislation that would address the state’s severe affordable housing shortfall.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
 State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Any project that is included in the Midway Rising Specific*
- 4 *Plan in the City of San Diego constitutes housing and related*
- 5 *public facilities of statewide importance, that environmental review*
- 6 *has already been adequately completed through the city’s*
- 7 *Subsequent Environmental Impact Report No. PRJ-1106734 (SCH*
- 8 *No. 2023120451) for the Midway Rising Specific Plan, and that*
- 9 *further review would not materially contribute to disclosure or*
- 10 *mitigation of environmental effects.*
- 11 (b) *California continues to confront a persistent and statewide*
- 12 *housing shortage and affordability crisis, requiring large-scale,*
- 13 *mixed-income, infill projects near transit to add homes at all*
- 14 *income levels and reduce displacement pressures.*
- 15 (c) *The “Midway Rising” redevelopment of the “sports arena”*
- 16 *site, owned by the City of San Diego, in the Midway-Pacific*
- 17 *Highway community of the city will transform approximately 49*
- 18 *acres of underutilized land into a complete, walkable neighborhood*

1 containing not only those much needed homes, but parks, mobility
2 improvements, neighborhood-serving retail, and a modern
3 entertainment venue that will serve and provide economic benefits
4 to the entire region.

5 (d) The Midway Rising Specific Plan authorizes approximately
6 4,254 new homes, of which 2,000 are deed-restricted affordable
7 homes at or below 80 percent of area median income, together
8 with up to 130,000 square feet of commercial uses, approximately
9 14.5 acres of public parks and open space, and a new 16,000-seat
10 multipurpose entertainment center. This scale makes Midway
11 Rising one of the largest mixed-income housing communities on
12 the west coast and the single largest affordable housing
13 development in California's history.

14 (e) The project provides more affordable housing than is
15 required by law. Whereas the City of San Diego's inclusionary
16 requirements would require 425 affordable homes, and due to the
17 use of the Surplus Land Act (Article 8 (commencing with Section
18 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the
19 Government Code), the city would require 1,062 affordable homes,
20 the city and the developer have created a plan to construct 2,000
21 affordable homes. This represents a 47-percent affordable share,
22 with all the units to build on-site.

23 (f) The site is uniquely sited and centrally located within the
24 City of San Diego with ready access to job centers and other
25 recreation areas. The project will deliver significant sustainability
26 and climate benefits by concentrating growth in a transit priority
27 area, implementing a multimodal street grid with new bicycle,
28 pedestrian, and transit facilities, and constructing onsite and offsite
29 infrastructure upgrades, including water, sewer, stormwater, and
30 drainage systems, to modern standards. The specific plan aligns
31 with the city's general plan, climate action plan, and the regional
32 plan of the San Diego Association of Governments.

33 (g) As an infill redevelopment of a long-standing public facility
34 and surrounding surface parking lots, Midway Rising is a vehicle
35 miles traveled-efficient project, especially compared to otherwise
36 new green field development, supports mode shift to transit,
37 walking, and biking, and incorporates stormwater quality and
38 low-impact development features.

39 (h) The project repurposes an aging area that cannot serve
40 current needs, replacing it with a value-generating community

1 *asset, and trades 49 acres mostly made up of a black asphalt*
2 *surface parking area for a project that embraces sustainable*
3 *principles. It will contain a mixed-use district anchored by a*
4 *state-of-the-art 16,000-seat entertainment center and a multiacre*
5 *central urban park, expanding public access to open space and*
6 *cultural amenities for City of San Diego residents and visitors.*

7 *(i) Midway Rising is projected to generate substantial near-term*
8 *construction employment and long-term economic benefits,*
9 *including an estimated \$285,000,000 in direct annual economic*
10 *impact upon full operation, approximately 21,900 temporary*
11 *construction jobs over the buildout, 3,100 permanent onsite jobs*
12 *with average wages above the current retail mix, and increased*
13 *local tax revenues, including approximately \$1,400,000 per year*
14 *to the city and \$3,900,000 per year to the county.*

15 *(j) The City of San Diego selected the Midway Rising team in*
16 *accordance with the Surplus Land Act (Article 8 (commencing*
17 *with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title*
18 *5 of the Government Code) and conducted a competitive process*
19 *and extensive due diligence to ensure the highest public benefits*
20 *from redevelopment of city-owned land.*

21 *(k) The Midway Rising Specific Plan and associated actions,*
22 *including community plan and general plan amendments, rezoning*
23 *to residential mixed use, and a development agreement, and a*
24 *subsequent environmental impact report with a mitigation*
25 *monitoring and reporting program, shall implement the project*
26 *in phases while addressing environmental impacts as analyzed in*
27 *a subsequent environmental impact report with a mitigation*
28 *monitoring and reporting program.*

29 *(l) The project includes substantial investments in public*
30 *infrastructure and mobility, including extensions and upgrades to*
31 *roadways, bicycle and pedestrian facilities, and transit and*
32 *complete street elements that improve safety and access for all*
33 *users.*

34 *(m) The addition of 2,000 income-restricted affordable homes,*
35 *integrated with market-rate housing in a moderate resource area,*
36 *advances state fair-housing goals, supports affirmatively furthering*
37 *fair housing, and helps meet regional housing needs.*

38 *(n) By delivering thousands of new homes in proximity to major*
39 *employment centers, educational institutions, and the regional*
40 *transit network, Midway Rising will help reduce household*

1 *transportation costs, increase housing options for working families*
2 *and seniors, and support statewide climate, housing, and equity*
3 *goals.*

4 *(o) Therefore, it is the intent of the Legislature to recognize the*
5 *statewide significance of the Midway Rising project in the City of*
6 *San Diego to support its timely delivery of affordable and*
7 *market-rate homes, public parks, multimodal infrastructure, and*
8 *economic development benefits, and to encourage similar*
9 *high-impact, climate-aligned infill housing projects on*
10 *underutilized public lands across California.*

11 *SEC. 2. Section 21080.75 is added to the Public Resources*
12 *Code, to read:*

13 *21080.75. (a) This division does not apply to a project*
14 *described in this section that is part of the Midway Rising Specific*
15 *Plan, including any activity or approval necessary for, or*
16 *incidental to, development, planning, design, subdivision,*
17 *financing, leasing, construction, operation, or maintenance,*
18 *provided that the activity is carried out in substantial conformance*
19 *with the Midway Rising Specific Plan and meets, or is consistent*
20 *with, all of the following:*

21 *(1) The project will create at least 4,250 new residential units,*
22 *of which no less than 2,000 units will be affordable units.*

23 *(2) The project will include commercial uses, a multipurpose*
24 *entertainment venue, and open public spaces.*

25 *(3) The City of San Diego has completed and certified the*
26 *Subsequent Environmental Impact Report No. PRJ-1106734 (SCH*
27 *No. 2023120451) for the Midway Rising Specific Plan.*

28 *(4) The project shall meet all of the following sustainability*
29 *requirements:*

30 *(A) Provide for development with a transit priority area to*
31 *reduce greenhouse gas emissions.*

32 *(B) Accommodate the planned Metropolitan Transit System bus*
33 *routes by providing two local bus stops and one rapid route bus*
34 *stop.*

35 *(C) Use 100-percent renewable power for all developments*
36 *from onsite renewable sources, including solar, and when power*
37 *from renewable sources is unavailable, power that is sourced from*
38 *San Diego Community Power.*

39 *(D) Install rooftop solar on all residential buildings.*

1 (E) Incorporate green building features that include rainwater
2 capture.

3 (F) Provide waste diversion plans showing how the
4 entertainment venue, described in paragraph (2), will reduce
5 single-use plastic and styrofoam and increase recycling, compost
6 collection, and adequate waste disposal consistent with standards
7 established in City of San Diego ordinances at the time of
8 permitting.

9 (G) Include Wi-Fi access to support telecommuting and
10 equitable access to information in all public areas.

11 (H) Allow for community gardens with potential food production
12 and recovery within public space areas.

13 (I) Incorporate electric vehicle charging spaces.

14 (J) Incorporate native and drought-tolerant plants.

15 (K) Provide a minimum of two trees per 5,000 square feet of
16 lot area, with a minimum of one tree per lot.

17 (L) Design buildings to be all-electric except for emergency
18 generators and commercial kitchen equipment at eating and
19 drinking establishments.

20 (M) Use light-emitting diode lighting for all exterior lighting.

21 (5) The project creates high-wage, highly skilled jobs that pay
22 prevailing wages and living wages, employs a skilled and trained
23 workforce, provides construction jobs and permanent jobs for
24 Californians, and helps to reduce unemployment. It is the intent
25 of the Legislature to provide additional authority allowing for the
26 use of project labor agreements to fulfill the requirements of this
27 paragraph.

28 (b) This section does not restrict the City of San Diego's exercise
29 of police powers to regulate land use or establish more protective
30 local standards outside the scope of this section.

31 (c) For purposes of this section, the following definitions apply:

32 (1) "Jobs that pay prevailing wages" means that construction
33 workers employed in the execution of the project will receive at
34 least the general prevailing rate of per diem wages for the type of
35 work and geographic area, as determined by the Director of
36 Industrial Relations pursuant to Sections 1773 and 1773.9 of the
37 Labor Code.

38 (2) "Project labor agreement" means the same as defined in
39 Section 2500 of the Public Contract Code.

1 (3) “Skilled and trained workforce” means the same as defined
2 in Section 2601 of the Public Contract Code.

3 (d) The provisions of this section are severable. If any provision
4 of this act or its application is held invalid, that invalidity shall
5 not affect other provisions or applications that can be given effect
6 without the invalid provision or application.

7 SEC. 3. The Legislature finds and declares that a special statute
8 is necessary and that a general statute cannot be made applicable
9 within the meaning of Section 16 of Article IV of the California
10 Constitution because of the unique construction of housing projects
11 in the City of San Diego.

12 SEC. 4. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 a local agency or school district has the authority to levy service
15 charges, fees, or assessments sufficient to pay for the program or
16 level of service mandated by this act, within the meaning of Section
17 17556 of the Government Code.

18 ~~SECTION 1. It is the intent of the Legislature to enact~~
19 ~~legislation that would address the state’s severe affordable housing~~
20 ~~shortage.~~