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## Governor Newsom Signs Bill into Law Imposing Restrictions on Logistics Facilities Near Sensitive Uses

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On September 29, 2024, Governor Gavin Newsom signed into law Assembly Bill 98 (“AB 98”), which limits warehouses from being built near “sensitive receptors.” AB 98 establishes new standards for the construction warehouses of certain sizes and for warehouses located in certain parts of the state. The intent of the new law is to mitigate the purported deleterious negative health impacts that warehouse and logistics facilities have upon nearby communities—especially in Southern California’s Inland Empire region.

Beginning January 1, 2026, proposed warehouse developments of 250,000 square feet or more on a site zoned for industrial uses (or on a site where an application was submitted by September 30, 2024 to rezone the parcel for industrial uses) and proposed to locate a loading bay within 900 feet of a “sensitive receptor,”<sup>1</sup> must conform to specified performance requirements. (*Forthcoming* Gov. Code, § 65098.1(a).) Warehouse developments will be required to conform to “Tier 1 21<sup>st</sup> century warehouse design elements.” (*Forthcoming* Gov. Code, § 65098.1(a)(1).) “Tier 1 21<sup>st</sup> century warehouse design elements,” as this term is defined in the new law, will require that the proposed building meet Title 24 Green Building Standards, and include solar and battery storage systems, vehicle charging readiness for trucks of various sizes, passenger vehicle charging infrastructure, and other efficiency requirements. (*Forthcoming* Gov. Code, § 65098(g).) Such facilities must also locate and orient truck loading bays away from sensitive receptors, include a separate entrance for heavy-duty trucks, and to install buffering and screening. (*Forthcoming* Gov. Code, § 65098.1(a).)

Warehouse facilities on sites that are not zoned for industrial uses or require rezoning must meet similar standards, except that loading truck bays may be located closer to sensitive receptors. (*Forthcoming* Gov. Code, § 65098.1(b).) Warehouse facilities of less than 250,000 square feet in size must meet less stringent requirements. (*Forthcoming* Gov. Code, § 65098.1(d).)

The new law also requires:

- Location of new logistics uses on certain roadways;
- Installation of anti-idling signs and truck routes;
- Submission of a truck routing plan to and from the state highway system;
- Two-to-one replacement of any demolished housing unit that was occupied past 10 years;
- A county or city to update, by January 1, 2028, its circulation element to (a) identify and establish specific travel routes for the transport of goods, materials, or freight for storage, transfer, or redistribution to safely accommodate additional truck traffic and avoid residential areas and sensitive

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<sup>1</sup> Defined to include residences, schools, daycare facilities, parks, nursing homes, and hospitals. (*Forthcoming* Gov. Code, § 65098(e).)



receptors and (b) maximize the use of interstate or state divided highways as preferred routes for truck routes;

- Cities and counties in a newly defined “warehouse concentration region”<sup>2</sup> must update their circulation elements prior to January 1, 2026.

(*Forthcoming* Gov. Code, §§ 65098.2.7, 65098.3, 65098.4, 65098.6, 65302.02.)

AB 98 does not apply to existing warehouse developments, or warehouse facilities, or warehouse expansions subject to an application that was filed prior to September 30, 2024. (*Forthcoming* Gov. Code, §§ 65098.1, 65098.1.5.) The law similarly would not apply if a warehouse expansion or new development is subject to a local entitlement process prior to September 30, 2024 and a new sensitive receptor is constructed, established, or permitted after the effective date of the law. (*Forthcoming* Gov. Code, § 65098.1.5.) Finally, AB 98 will not apply to a warehouse development that requires a rezoning and the entitlement process for that rezoning began prior to the entitlement process for a sensitive receptor. (*Forthcoming* Gov. Code, § 65098.1.5(b)(1).)

Developers of new or expanded warehouse and logistics facilities should evaluate a project site for its proximity to sensitive uses and, if applicable, prepare to design such facilities consistent with AB 98’s new requirements.

If you have any questions about this new law, please reach out to Braeden Mansouri or Alicia Guerra.



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<sup>2</sup> Defined to include may jurisdictions within Southern California’s Inland Empire region, including “the 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.” (*Forthcoming* Gov. Code, § 65098(h).)