

Good Neighbor Guidelines Part II



School of Public Policy



Center for Community
Solutions



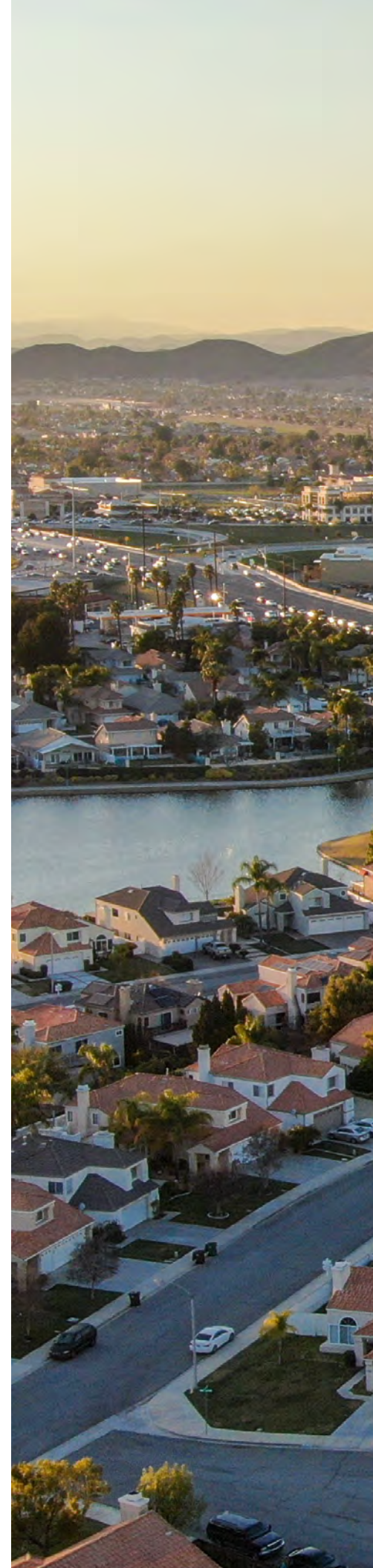
I. Executive Summary

California's Assembly Bill 98 (AB 98) represents a landmark shift in California's approach to regulating logistics and warehousing developments, establishing a uniform framework for mitigating environmental and public health concerns associated with industrial expansion. AB 98 functions as a statewide good neighbor guideline, and introduces comprehensive building and design standards, including requirements for energy efficiency, electric vehicle infrastructure, and emissions reductions, alongside stringent setbacks and buffering requirements to protect sensitive receptors.¹ AB 98 includes provisions to ensure public participation in decision-making processes related to warehouse regulations and environmental mitigation. Additionally, AB 98 mandates public engagement in the revision of general plans and circulation elements, requiring local governments to actively seek input from all economic segments of the community. These provisions align with existing local good neighbor guidelines, such as those in Riverside County and the Western Riverside Council of Governments (WRCOG), which emphasize community outreach, transparency, and collaborative problem-solving in warehouse development.

In this case study we discuss selected subcomponents of AB 98, and additionally summarize a few of the arguments for and against a statewide good neighbor guideline. While proponents argue that AB 98 provides much-needed statewide consistency in industrial regulation, protects public health, and fosters sustainable economic growth, critics contend that it imposes excessive financial and administrative burdens, particularly on local governments and small-to-midsize businesses. Concerns over the erosion of local authority and a potentially rushed legislative process further complicate the law's reception. As California navigates the intersection of economic development and environmental responsibility, AB 98 serves as a key case study in balancing industrial growth with community and ecological well-being.

¹AB 98 defines a "sensitive receptor" as any residence, any school, daycare facility, publicly owned parks, nursing homes, long-term care facilities, and hospitals, among a few other types of development (Assembly Bill No. 98, 2024).

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II. Overview of AB 98

With the expansion of California's logistics and warehousing industries, concerns over environmental degradation and public health have shifted from local land use matters to comprehensive statewide issues. Although signed into law almost 20 years after the enactment of California's first good neighbor guideline, Assembly Bill No. 98 aimed to regulate the design, siting, and operation of logistics use developments at the state level. Unlike local ordinances and guidelines that vary by municipality or county, AB 98 establishes standardized truck route planning policies, industrial setback and design specifications, and landscaping requirements for the state. This section provides an overview of some of AB 98's subcomponents including, design standards, public participation mechanisms, and a discussion of the special requirements for the Inland Region.

a. Building + Design Standards

AB 98, as of January 1st, 2026, will establish design and building standards aimed at reducing environmental impacts from logistics developments and promoting sustainable building practices. These standards apply to new and expanded logistics facilities in California, particularly those with over 250,000 sq. ft. of floor area with loading bays less than 900 feet from a sensitive receptor. Specific building standards enforced by AB 98 include, requirements for energy efficiency, electric vehicle (EV) infrastructure, zero-emission equipment, and high-efficiency and HVAC systems. AB 98 additionally includes a 300 foot setback from "the property line of the nearest sensitive receptor to the nearest truck loading bay opening", placing large zoning restrictions on industrial facilities throughout the state (Assembly Bill No. 98, 2024). Additional design standards, like truck routing and buffering, are detailed elsewhere in this case study.

b. Buffering + Landscaping Requirements

AB 98 mandates specific buffering and landscaping requirements for logistics developments to reduce the impact of noise, emissions, and light pollution on nearby sensitive receptors, especially in areas where these facilities are close to residences, schools, or healthcare facilities or other sensitive receptors. Across California, logistics facilities within 900 feet of sensitive receptors must establish buffer zones ranging from 50 to 100 feet in width, depending on the development's location and the proximity to sensitive receptors. These buffer areas must include a solid decorative wall, landscaped berm, or a combination of both at least 10 feet high, accompanied by drought-tolerant ground landscaping and proper irrigation to maintain plant health. Additionally, the buffer zones must feature solid-screen, drought tolerant evergreen trees planted in two rows.

c. Signage Requirements

Similar to the local level guidelines, AB 98 includes detailed signage requirements to manage truck traffic, reduce idling, and clearly direct logistics facility operations within and around the site, especially near sensitive

receptors. Facilities must post anti-idling signs at entrances and at truck loading bays, indicating a strict three-minute idling limit for heavy-duty trucks, which is intended to minimize diesel emissions in surrounding neighborhoods. At exit points, facilities are required to display signs directing drivers to designated truck routes, as specified in the facility's truck routing plan, ensuring that trucks follow planned routes that avoid residential and sensitive areas. Additionally, AB 98 requires local jurisdictions to post visible signage for established truck routes and truck parking locations to streamline logistics traffic and prevent congestion in non-industrial areas. Jurisdictions must also make truck route maps publicly available in GIS format and share them with logistics operators, fleet operators, and drivers to support compliance and consistent use of designated paths.

d. Housing: Replacement for Displacement

AB 98 includes specific provisions to address housing displacement caused by warehousing or industrial developments, aiming to mitigate the social impact on communities near logistics projects. If a logistics development requires the demolition of occupied housing units, the bill mandates a two-to-one replacement ratio for each unit demolished, ensuring that two units of affordable housing for low- and moderate-income residents are constructed for every demolished unit. These replacement units must be deed-restricted to maintain affordability, helping to ensure the housing remains accessible to vulnerable community members affected by logistics expansion. This targeted provision is likely a response to the overtly accommodating manner in which some localities have zoned warehousing within the warehousing concentration region. For example, both residential neighborhoods and school properties have been rezoned to accommodate the demand for warehousing in recent years (Whitehead, 2018; Mayorquin, 2022).

In addition to housing replacement, AB 98 provides compensation for displaced tenants. Developers must compensate each displaced tenant with a sum equivalent to 12 months of rent at the current rate, helping residents to secure alternative housing without immediate financial burden. To further support these housing provisions, any fees collected from developers for housing replacement are allocated to a housing-specific set-aside account, designated for use within three years of collection to fund local affordable housing projects. Through these housing displacement provisions, AB 98 seeks to balance the state's economic growth with protections for community stability and housing security near expanding logistics hubs.

e. Updates to Relevant General Plans + Circulation Elements + Truck Routes

AB 98 requires that local jurisdictions update their General Plans, specifically the Circulation Element, to manage and minimize the impact of increased truck traffic from logistics developments on local communities. By January 1, 2028 (or January 1, 2026 in the warehouse concentration region), each city and county must establish and publicly designate truck routes for the transport of goods to and from logistics facilities. These truck routes must prioritize interstate highways, arterial roads, major thoroughfares, and commercial roads, ensuring that trucks avoid residential neighborhoods and areas near sensitive receptors. Further, the bill empowers the California Attorney General to enforce compliance with these updates, with fines of up to

\$50,000 every six months for non-compliance, ensuring that jurisdictions prioritize effective and timely implementation of the updated circulation elements and truck routes. These updates aim to improve transportation efficiency and protect public health by directing logistics traffic along routes that limit community disruption.

f. Public Participation

Finally, AB 98 has a novel and specific public participation requirement relating to the funds produced by the Warehouse Indirect Source Rule #2305. The Warehouse Indirect Source Rule, enacted by SCAQMD applies to warehouses larger than 100,000 sq. ft., and similarly to AB 98, regulates warehouse facilities to reduce emissions from the goods movement industry. As part of their Indirect Source Rule, SCAQMD collects penalties for violations; AB 98 requires that SCAQMD establish a process for receiving community input on how those penalties are spent. Specifically, the bill states, “The south coast district shall ensure a wide range of community groups are included in the process and that groups represent the geographic areas where there are high numbers of warehouse facilities” §40522.7. This provision functions as a limited public engagement mechanism within AB 98. Although included to varying degrees and in different contexts, two local-level good neighbor guidelines also have community engagement requirements.

Public Participation Mechanisms in California's Good Neighbor Guidelines	
Good Neighbor Guideline:	Guideline Specifics:
Riverside County	<p>"Applicants for proposed warehouse/distribution facilities shall engage in a community outreach effort to engage the existing community in determining issues of concern that can be addressed through site design and other means during the project land use entitlement process. Suggested outreach efforts include but are not limited to, hosting community meetings, making presentations at Municipal Advisory Councils and community councils, and hosting job fairs" (Good Neighbor Policy for Logistics and Warehouse/Distribution Uses, 2019).</p> <p>Further, the guideline requires the applicant to post on-site notices during the CEQA process to provide the community with an early comment period. The on-site notices are required to have a link to a project website with an accurate project description, maps and drawings of the project design, and directions for how communities can provide input.</p> <p>Warehouse operators are finally encouraged to look beyond their immediate facility, and enhance the community environment more generally.</p>

Western Riverside Council of Governments (WRCOG)	<p>Public outreach is included as Goal #7: “Establish a public outreach program and conduct periodic community meetings to address issues from neighbors” (Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities, 2005). Specific recommendations for community engagement include community site visits, outreach programs, and a complaint hotline where community members can report air quality and general issues resulting from facility activities.</p> <p>The recommended public engagement guidelines are intended to raise community awareness, increase proactive problem solving, and achieve collaborative solutions.</p>
Assembly Bill 98	<p>“The south coast district shall establish a process for receiving community input on how any penalties assessed and collected for violations of the Warehouse Indirect Source Rule are spent. The south coast district shall ensure a wide range of community groups are included in the process and that groups represent the geographic areas where there are high numbers of warehouse facilities” (Assembly Bill No. 98, 2024).</p> <p>Additionally, when delineating the necessary circulation element updates AB 98 requires, “The city of county shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the changes required pursuant to this section” (Assembly Bill No. 98, 2024)</p>

g. Special Requirements for Warehouses within the Warehousing Concentration Region (Riverside + San Bernardino County)

AB 98 introduces stricter requirements for logistics facilities located within the warehousing concentration region, defined as, “the combined area of the Counties of Riverside and San Bernardino, including the entirety of the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside and San Bernardino” (Assembly Bill No. 98, 2024). These areas face high levels of industrial activity, and AB 98 implements more stringent standards to address the environmental and health risks unique to these regions. The warehousing concentration region has more stringent requirements in three key areas:

1. Accelerated compliance to update circulation elements and establish designated truck routes. The warehousing concentration subregion must update their circulation elements by January of 2026, two years ahead of the AB 98’s timeline for the rest of the state.
2. Increased buffering for landscaping + setback from loading bay requirements. For example, in the warehousing concentration subregion, truck loading bays must be located a minimum of 500 feet from the property line of the nearest sensitive receptor. The remainder of the state only has to comply with a 300 foot setback standard.
3. Specialized air quality monitoring by the South Coast Air Quality Management District (SCAQMD)

AB 98 – Warehousing Concentration Region Summary Table

Category	Details
Warehouse Concentration Region	Counties: Riverside, San Bernardino
Effective Date	January 1, 2026
Development Requirements	Applies to new or expanded logistics use on non-industrial or rezoned land in the warehouse concentration region
Size-Based Requirements	<ul style="list-style-type: none"> • ≥ 250,000 sq ft: Must include all Tier 1 21st century warehouse design elements (Section 6509(g)) • < 250,000 sq ft: Must include all 21st century design elements (Section 65098(a))
Design and Layout Requirements	<ul style="list-style-type: none"> • Orient truck bays away from sensitive receptors (where feasible) • Truck bays ≥500 feet from nearest sensitive receptor (measured straight-line) • Separate truck entrance via designated roads (truck route/arterial/etc.) • Keep truck entry, exit, circulation away from sensitive receptors • Prohibit diesel truck drive aisles adjacent to sensitive receptor property lines • Include buffering/screening for light and noise (per Section 65098.2)
Circulation Element Update	All cities/counties in the region must update their circulation element to include truck routes by Jan 1, 2026 (per Section 65302.02)
Enforcement	California Attorney General
Penalties	Up to \$50,000 fine per six months for non-compliance
Use of Fines	Returned to local air quality district for air quality improvement (upon appropriation)

III. Point / Counterpoint

As California continues to balance economic growth with environmental and public health concerns, AB 98 has emerged as a significant piece of legislation shaping industrial development and regulatory oversight.

Proponents argue that the law establishes a fair and uniform framework, ensuring responsible expansion while protecting communities and fostering long-term sustainability. However, critics contend that AB 98 imposes excessive regulatory burdens, overrides local authority, and was rushed through the legislative process without sufficient stakeholder input. This point/counterpoint analysis examines the key question: What are the arguments for and against specific subcomponents of AB 98?

1. Public Health and Environmental Protection

Point → AB 98 Mitigates Health Impacts & Increases Energy Efficiency for Warehousing

AB 98 offers a variety of measures and methods designed to reduce negative health effects associated with warehouse and logistics operations by implementing novel environmental standards. The law additionally outlines specific considerations (E.g., buffer zones, orienting truck bays away from sensitive receptors, etc.) to mitigate the exposure to pollutants for nearby sensitive receptors, in addition to the installation of energy-saving features, including solar panels and electric vehicle charging stations, promoting sustainable practices (Rice & Little, 2024). Some argue these standards represent a comprehensive statewide effort to balance industrial growth with environmental concerns, establishing a clear baseline for protecting public health in logistics-heavy communities (Blake, 2024).

Counterpoint → AB 98 Offers Insufficient Buffer Zones & Unsatisfactory Environmental Standards

Various environmental groups argue that the specified buffer zones are inadequate and fail to offer sufficient protection to sensitive receptors near warehousing (Hodges, Chang). Although a few different setback guidelines can be found within AB 98, the standard setback requirement between truck bays and sensitive receptors is just 300 feet. In contrast, two other local good neighbor guidelines include more protective setback standards: WRCOG's guideline recommends a setback of 1,000 feet, and the City of Lake Elsinore recommends 500 feet. Thus, some critics, like Center on Race, Poverty & the Environment and the Coalition for Clean Air, argue AB 98's comparatively limited setback distances are seen as insufficient to mitigate the cumulative air quality and noise impacts experienced near such industrial operations (Leadership Counsel for Justice & Accountability, 2024). Similar critics additionally contend that the legislation does not adequately address emission reductions related to warehouse operations and truck traffic, potentially leaving significant environmental and health concerns unaddressed.

2. Economic Impact and Industry Growth

Point → An Experiment in Balance + Framework for Industrial Development

The California Chamber of Commerce describes AB 98 as a sensible path forward for industrial development, balancing the needs of businesses, while protecting nearby communities (Davis, 2024). Further, the law can provide a framework for continued development while implementing necessary safeguards, ensuring economic

growth aligns more closely with environmental responsibility (Rice & Little, 2024). Proponents argue that clear, statewide regulatory guidelines create long-term stability for businesses, reducing uncertainty and clear, statewide regulatory guidelines create long-term stability for businesses, reducing uncertainty and facilitating strategic planning for industrial growth. Furthermore, the law could encourage innovation by incentivizing companies to adopt sustainable practices that minimize environmental impact while maintaining operational efficiency.

Counterpoint → Increased Costs and Regulatory Burdens

Opponents argue that AB 98 imposes additional costs and regulatory burdens on warehouse and truck operators, which could discourage investment in new facilities (Hodges & Chang, 2024). Additionally, concerns have been raised that the law's rigid requirements and limited flexibility could stifle industrial growth, resulting in job losses and impeding broader economic expansion (Suarez, 2025). Opponents contend that increased compliance costs may disproportionately affect small and mid-sized businesses, making it more difficult for them to compete with larger corporations with greater financial resources. Moreover, some industry leaders warn that these additional constraints could drive businesses to relocate to states with fewer regulations, like Nevada and Arizona, ultimately undermining California's economic competitiveness in the industrial sector.

3. Local Authority and Implementation Challenges

Point → Uniformity in Warehousing Regulation

Because AB 98 creates a consistent regulatory framework, the law may prevent disparities in industrial development standards that could otherwise leave certain communities more vulnerable to environmental harm. Proponents argue that statewide uniformity enhances transparency and predictability for businesses, streamlining compliance requirements and reducing the risk of legal challenges stemming from conflicting local regulations. Additionally, standardized policies promote equitable economic development by preventing regulatory arbitrage, where companies seek out jurisdictions with more lenient environmental (or other) standards (Riles, 2014). Although Ab98 remains far from idyllic environmental policy, AB 98 can be viewed as a step towards a statewide framework that ensures no community is left behind in the push for cleaner, more responsible industrial development.

Counterpoint → Erosion of Local Control and Implementation Challenges

Critics contend that AB 98 undermines local authority by imposing a one-size-fits-all regulatory framework that disregards the unique needs and priorities of individual communities (Hodges & Chang, 2024). That is, in trying to create consistency, the law risks sacrificing the local nuance and flexibility required for policy to be both effective and equitable. Local governments, which traditionally oversee land use planning, may face significant financial and administrative burdens as they are required to revise general plans and zoning ordinances to

comply with the new mandates. One could argue that such top-down regulations fail to account for regional differences, leading to inefficient or overly restrictive policies that may not align with local economic and environmental realities. Furthermore, the lack of flexibility in the law’s implementation could hinder cities’ ability to tailor solutions that balance development with community interests, potentially discouraging investment in certain areas and exacerbating economic disparities.

4. Legislative Process and Stakeholder Engagement

Point → A Collaborative and Inclusive Legislative Process

Proponents of AB 98 emphasize that the bill emerged from extensive discussions among a broad coalition of stakeholders, including environmental advocates, industry leaders, labor groups, and public health organizations. Assemblymember Juan Carrillo, AB 98’s co-sponsor, stated to the press, “AB 98 is the product of months of discussion and collaborations from environmental advocates, leaders in industry, labor, and dedicated public health advocates to raise the standards of warehouse development (and) a necessary compromise for communities and business entities alike” (Walters, 2024). To some, the legislation reflects a carefully negotiated compromise aimed at balancing economic development with environmental and public health protections. Supporters could argue that this collaborative approach ensures that diverse perspectives were considered, leading to a policy framework that is both practical and equitable. Moreover, by incorporating input from multiple sectors, AB 98 establishes a foundation for long-term regulatory stability, helping businesses and communities adapt to evolving environmental and economic challenges.

Counterpoint → A Rushed and Insufficiently Vetted Bill

Critics argue that despite its broad scope, AB 98 was pushed through the legislative process too quickly, limiting opportunities for meaningful stakeholder engagement and public scrutiny. A senior policy analyst from the People’s Collective for Environmental Justice (PC4EJ), Andrea Vidaurre, discussed the legislative process behind AB 98: “this was a compromise, but a compromise for who?... We weren't at the table. It's more about compromising us as communities to settle for business as usual” (Victoria, 2024). Comparably, O’Melveny & Myers, a law firm active in the industrial law and policy space, described the bill's path to the governor’s desk as “oddly circuitous” (Turner et al., 2024). Some industry representatives and local officials contend that they were not given adequate time to assess the full implications of the bill or propose necessary revisions. Opponents warn that such an expedited approach risks unintended consequences, including regulatory gaps or overly burdensome provisions that could have been addressed with a more thorough review. Additionally, concerns could be raised that last-minute amendments and political pressure may have prioritized expediency over well-informed policymaking, potentially leading to implementation challenges and the need for future legislative corrections.

IV. Conclusion

AB 98 stands at the forefront of California’s efforts to harmonize industrial development with environmental and public health safeguards. By establishing statewide standards for logistics facilities, the law seeks to ensure that all communities—particularly those disproportionately impacted by industrial pollution—benefit from uniform protections. Proponents argue that this legislation offers a forward-thinking approach to sustainable development, fostering long-term regulatory stability and incentivizing greener business practices. However, opponents highlight concerns over the financial burden on local governments, the perceived erosion of municipal control, and the potential for unintended economic consequences. As implementation progresses, the effectiveness of AB 98 will be tested in its ability to both enforce environmental safeguards and support economic vitality. Future legislative refinements may be necessary to address stakeholder concerns and optimize the balance between industrial regulation and economic growth in California’s evolving logistics sector.



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