

Senator Scott Wiener, 11th Senate District

Senate Bill 79 – TOD Upzoning and Transit Agency Land Use Authority

SUMMARY

Senate Bill 79 allows more housing development near specified major public transportation stops (existing or planned stops as of 1/1/26) by upzoning land within ½ mile of those stops in "urban transit counties, which are defined as counties with more than 15 rail stations.

Specifically, SB 79 allows multifamily housing up to a specified height, density, and floor area ratio on residential, mixed use, and commercial land near rail and bus rapid transit. These development standards vary based on proximity and transit quality. SB 79's zoning standards are delayed until July 1, 2026. SB 79 also provides transit agencies with land use authority to develop residential and commercial projects on land they control, subject to limitations.

Transit-oriented development (TOD) developments under SB 79 are eligible for, and can opt to use, the streamlined ministerial approvals process under Senate Bill 423 (Wiener, 2023) only if they meet the law's environmental, labor, and affordability standards.

BACKGROUND/EXISTING LAW

Existing law under SB 375 (Steinberg, 2005) encourages coordination of housing and transportation policy, with greater land use intensity and more housing near transit. Additionally, under AB 2097 (Friedman, 2022) and AB 2011 (Wicks, 2022), existing law preempts certain local land use restrictions that limit housing near transit and allows greater densities near transit.

Existing law, under AB 2923 (Chiu, 2018), requires cities and counties to adopt the zoning

standards in the San Francisco Bay Area Rapid Transit District's (BART) TOD guidelines and establishes a streamlined approval process for certain projects on BART-owned land. Existing law also establishes a streamlined, ministerial process for approving housing developments that are in compliance with the applicable objective state and local planning standards.

Several states have already made transit-oriented development easier. Washington recently required cities to zone for an average floor area ratio (FAR) of 2.5-3.5 around rail & bus rapid transit (BRT). Colorado requires cities to zone for an average of 40 dwelling units per acre within a quarter-mile of transit, and Massachusetts also requires cities served by MBTA rail to meet minimum zoning standards around those transit stations.

PROBLEM

California faces a housing shortage both acute and chronic, particularly in areas with access to robust public transit infrastructure. Restrictive zoning in existing communities forces development into sprawl – increasing traffic and pollution, and accelerating the loss of open space and farmland. Building more homes near transit reduces transportation and housing costs for California families, promotes environmental sustainability and economic growth, and reduces traffic congestion.

Public transit systems require sustainable funding to provide reliable service, especially in areas with increased density and ridership. California does not invest in public transit service to the same degree as it does in roads, and funds a smaller proportion of the state's major transit agencies' operations costs than other states with

comparable systems. Transit systems in other countries derive significant revenue from TOD at and near their stations.SB 79 does not provide for broad land use authority, but it gives them authority to build both TOD housing and commercial development to energize the area around the station, create more ridership, and generate revenue for the transit system.

The housing crisis itself has had a direct impact on transit ridership. According to a UCLA study¹ an increase of \$230 per month in rent led to 22% less transit use by the neighborhood.

Although California has made progress in making TOD easier, most areas within a half-mile of transit are essentially off-limits to TOD – whether they are not zoned for five or more units and thus do not qualify for state density bonus law (SDBL), or they are zoned commercial and not residential.²

Although many regional transit authorities have TOD goals and own the land next to their station, there are permitting, rezoning, and public funding barriers to build deed restricted housing results in these agencies struggling to realize their TOD goals. Building housing on transit authority land will increase ridership and revenue, which will generate sustainable funding for the transit agency.

SOLUTION

Senate Bill 79 establishes state standards for transit oriented zoning around qualifying transit stops (designated as "TOD stops"). SB 79 authorizes specified heights and densities on parcels near qualifying transit stops based on the capacity of the transit service at the station, categorized as follows:

Tier 1: Major transit stops served by:

 Heavy rail transit (e.g. BART and LA Metro B & D Lines)

¹ <u>Neighborhood Change and Transit Ridership</u> (Manville et al, UCLA)

• Very high frequency commuter rail (72+ daily trains) (e.g. Caltrain stations)

Tier 2: Major transit stops served by:

- Light rail transit (e.g. Sac RT and SF Muni)
- High frequency commuter rail (48+ daily trains) (e.g. certain Metrolink stations)
- Bus rapid transit (meeting the state BRT definition, or bus service that is both a major transit stop and has a 24-hour bus-only lane)

The height limits per Tier are as follows:

Tier 1: 9 stories adjacent to the stop, 7 stories within ¼ mile, 6 stories between ¼ and ½ mile

Tier 2: 8 stories adjacent to the stop, 6 stories within ½ mile, 5 stories between ¼ and ½ mile

TOD stops in cities with a population less than 35,000 are only subject to the first ¼ mile requirements. SB 79's upzoning requirements do not apply within unincorporated areas of counties until the next RHNA cycle.

All SB 79 projects are subject to the following requirements:

- 1. Affordability: SB 79 projects are subject to the affordability requirements established in AB 1893 (Wicks, 2024), or a local inclusionary zoning ordinance if that ordinance requires greater affordability. AB 1893's affordability requirements are as follows: 7% ELI, 10% VLI, or 13% LI.
- 2. Minimum Density: SB 79 projects must include the greater of: at least 5 units, a density of 30 du/acre, or the minimum density allowed under local zoning (if applicable).

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² California YIMBY

- **3. Average Unit Size:** The average size for the proposed units in an SB 79 development shall not exceed 1,750 net habitable sq. ft.
- **4. Demolition protections:** All SB 79 projects are subject to the antidisplacement protections provided under SB 330 and the Housing Crisis Act³, including any local anti-displacement demolition protections, prohibited from demolishing more than two units of rent or priced controlled housing that has been occupied by tenants within the past 5 years. Sites where more than 2 units of housing (any of which were subject to rent or price control) were demolished within 7 years are also excluded.
- **5. Labor requirements**: Any SB 79 projects over 85 feet must meet the labor standards of SB 423.

Under, SB 79, local governments may adopt an implementing ordinance to make its zoning code consistent with the provisions of the bill. Via this ordinance, cities may exempt areas within a ½ mile of a TOD stop from the bill if the city makes findings supported by substantial evidence that there exists no walking path of less than 1 mile from that location to the TOD stop, and exempt industrial employment hubs.

SB 79 provides local governments with the flexibility to tailor the law via a "local alternative plan" adopted by the local agency via the adoption of or amendment to the housing element, or a program to implement the housing element such as the adoption of a specific plan, adoption of a zoning overlay, or enactment of an ordinance. A local alternative plan would be required to maintain the same total zoned capacity as provided for under SB 79, and allow at least a minimum density on all residential parcels near qualifying transit oriented development stops. However, local jurisdictions are authorized to provide even more flexibility in a local alternative for: sites with a very high fire severity zone, sites vulnerable to sea level rise, sites with historic resources designated on a local register, and sites near a Tier 2 stop. Within those constraints, cities would be able to adjust allowed densities and heights, as well as designate additional transit oriented development areas.

Via a local ordinance reviewed by HCD, SB 79 provides cities with more time to implement SB 79 by authorizing cities to defer implementation until the next RHNA cycle for the following areas:

- Specified areas with transit supportive zoning at or near the level of SB 79; lots that have been upzoned to at least half of SB 79's density, or station areas where aggregate density is at least 75% of what SB 79 allows and at least a third of lots allow at least 50% of SB 79's density.
- Very High Fire Severity Zones
- Sites with historic resources designated on a local register as of 1/1/25
- Areas that meet the intermediate 2050 sea level rise scenario (currently .8 feet) established under the California Ocean Protection Council
- Low resource areas that allow for at least 40% of the aggregate density for a TOD zone, and low resource areas designated on the CA Tax Credit Allocation Committee and the department within a jurisdiction that cumulatively allows for at least 50% of the total capacity across all TOD zones

SB 79 also provides transit agencies with land use authority to develop land they control with several limitations. This development must be adjacent to a TOD stop, or on land the transit agency owned as of 1/1/26 where at least 75% of the project area is within ½ mile of a TOD stop. Development on transit-agency owned land may

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³ YIMBY Action

not be higher than the heights set by SB 79's adjacency bonus. If an agency TOD project will be mixed-use, 50% of the total square footage must be dedicated to residential purposes. In addition, transit agencies must hold public local hearings, consult with relevant governments and infrastructure agencies if they adopt or amend TOD zoning standards. All transit agency-owned land projects must meet SB 423's labor requirements. This added authority for transit agencies provides urgently needed funding for California's public transportation systems, giving them tools to sustain themselves and thrive.

SB 79 projects that meet the affordability, environmental, and labor standards of SB 423 (Wiener, 2023) qualify for streamlining under that law. Otherwise, TODs under SB 79 would go through local review and CEQA as they do under current law.

SUPPORT

- Abundant Housing LA (co-sponsor)
- Bay Area Council (co-sponsor)
- California YIMBY (co-sponsor)
- Greenbelt Alliance (co-sponsor)
- Inner City Law Center (ICLC) (sponsor)
- SPUR (co-sponsor)
- Streets For All (co-sponsor)
- 21st Century Alliance
- AARP
- Abundance Network
- Accelerate Neighborhood Climate Action
- Active San Gabriel Valley
- Alameda-Contra Costa Transit District (AC Transit)
- All Home
- All Voting Members of the North Westwood Neighborhood Council
- Amalgamated Transit Union
- American Institute of Architects California
- Bay Area Rapid Transit (BART)

- Being Alive/People with Aids Action Coalition
- Bike Culver City
- Bike East Bay
- Bike LA
- Bike Long Beach
- Bike San Diego
- Blue Hollywood Street Sanctuary
- The Board of the Costa Mesa Alliance for Better Streets
- Business for Good San Diego
- CalBike
- California Apartment Association
- California Asian Chamber of Commerce
- California Community Builders
- California Council for Affordable Housing
- California Democratic Party
- California Democratic Party Rural Caucus
- California Native Vote Project
- California Nightlife Association
- Central Valley Urban Institute
- Car-Lite Long Beach
- Circulate San Diego
- City of Culver City
- City of Emeryville
- City of Oakland
- City of San Diego
- City of Santa Monica
- City of West Hollywood
- City of Berkeley Councilmember Mark Humbert
- City of Berkeley Councilmember Rashi Kesarwani
- City of Ceres Councilmember Rosalinda Vierra
- City of Chico Councilmember Addison Winslow
- City of Claremont Councilmember Jed Leano
- City of Costa Mesa Councilmember Arlis Reynolds
- City of Costa Mesa Councilmember Manuel Chavez

- City of El Cerrito Councilmember Rebecca Saltzman
- City of Emeryville Councilmember Matthew Solomon
- City of Gilroy Councilmember Zach Hilton
- City of Modesto Councilmember Chris Ricci
- City of Monterey Park Councilmember Thomas Wong
- City of Mount Shasta, Councilmember Casey Glaubman
- City of Mountain View Councilmember Lucas Ramirez
- City of Oakland Councilmember Charlene Wang
- City of Palo Alto Councilmember George Lu
- City of Palo Alto Councilmember Julie Lythcott-Haines
- City of Petaluma Councilmember Brian Barnacle
- City of San Jose Councilmember Pamela Campos
- City of Santa Monica Councilmember Natalya Zernitskava
- City of Santa Monica Councilmember Jesse Zwick
- City of South San Francisco Councilmember James Coleman
- City of Suisun Councilmember Princess Washington
- Climate Action Campaign
- Climate Hawks Vote
- Common Ground California
- Council of Infill Builders
- Cty Housing, Inc.
- Culver City Democratic Club
- D9 Neighbors for Housing
- DAP Health
- Democratic Club of Claremont
- Democratic Party of the San Fernando Valley
- East Bay for Everyone
- East Bay Leadership Council
- East Bay YIMBY
- End Poverty in California (EPIC)

- Enterprise Community Partners, Inc.
- Environmental Protection Information Center (EPIC)
- Everybody's Long Beach
- Faith and Housing Coalition
- Families for Safe Streets San Diego
- Fathers and Mothers Who Care
- Fieldstead and Company, Inc.
- Foster City Councilmember Phoebe Shin Venkat
- Fremont For Everyone
- Glendale YIMBY
- Grow the Richmond
- Hammond Climate Solutions Foundation
- Holos Communities
- House Sacramento
- Housing Action Coalition
- Housing Leadership Council of San Mateo County
- Housing Trust Silicon Valley
- Humbodlt Area Center for Harm Reduction
- Icon CDC
- Jamboree Housing Corporation
- Jefferson Union High School District Trustee Andy Lie
- Koreatown Immigrant Workers Alliance (KIWA)
- Inclusive Lafayette
- Indivisible Claremont/Inland Valley
- Indivisible Sacramento
- LA Forward
- LA Voice
- LeadingAge California
- League of Women Voters of California
- Lieutenant Governor Eleni Kounalakis
- Local Initiatives Support Corporation, San Diego (LISC SD)
- Los Angeles Chamber of Commerce
- Los Angeles Walks
- Mayor of Campbell, Sergio Lopez
- Mayor of Oakland, Barbara Lee
- Mayor of West Hollywood Chelsea Byers
- Mountain View YIMBY

- Mountain View Whisman School District Trustee Charles DiFazio
- Napa-Solano for Everyone
- National Independent Venue Association of California
- Natural Resources Defense Council
- Neighborhood Partnership Housing Services Incorporated
- New Life Community Church
- New Way Homes
- Next Gen California
- Non-Profit Housing (NPH) Association of Northern California
- Northern Neighbors
- Oakland African American Chamber of Commerce
- Oakland Chinatown Chamber of Commerce
- Oakland Vietnamese Chamber of Commerce
- One Voice
- Orange County Business Council
- Orchard City Indivisible
- Our Time to Act
- Pathway to Tomorrow
- Peninsula for Everyone
- People Assisting the Homeless (PATH)
- People for Housing Orange County
- Redlands Area Democratic Club
- Redlands YIMBY
- Prosperity California
- Remake Irvine Streets for Everyone
- Ride SD
- Sacramento City Councilmember Caity Maple
- Safe Place for Youth
- San Bernardino County Young Democrats
- San Mateo County Economic Development Association (SAMCEDA)
- San Diego County Bicycle Coalition
- San Fernando Valley Young Democrats
- San Fernando Valley For All
- San Francisco County Supervisors:
- Bilal Mahmood
- Danny Sauter

- Matt Dorsey
- Myrna Melgar
- San Francisco YIMBY
- San Gabriel Valley Consortium on Homelessness
- Santa Clara County Valley Transportation Authority
- Santa Cruz YIMBY
- Santa Rosa YIMBY
- Sierra Business Council
- Silicon Valley Leadership Group
- South Bay Forward
- South Bay YIMBY
- South Pasadena Residents for Responsible Growth
- South Pasadena Tenants Union
- St. Joseph Center
- State Superintendent of Public Instruction Tony Thurmond
- Streets Are For Everyone (SAFE)
- Strong Towns Poway & RB
- Strong Towns San Diego
- Student Homes Coalition
- University of California Student Association
- UC San Diego Housing Commission
- United States Congressman Scott Peters, CA-50
- U.S. Green Building Council California (USGBC-CA)
- Union Station Homeless Services
- Unite Here
- Unite Here Local 11
- United Way Bay Area
- United Way of Greater Los Angeles
- The Unity Council
- Thai Community Development Corporation
- Thai Community Development Center
- Valley Industry and Commerce Association (VICA)
- Ventura County YIMBY
- Vice Mayor Mark Dinan City of East Palo Alto
- Vice Mayor Laura Nakamura City of Concord

- Vice Mayor Alexander Pedersen City of Capitola
- Vice Mayor Emily Ann Ramos City of Mountain View
- Walk Bike Berkeley
- Walk San Francisco
- Westside for Everyone
- Wildlands Network
- WPH Holdings, LLC
- YIMBY Action
- YIMBY Democrats of San Diego County
- YIMBY Los Angeles
- YIMBY San Luis Obispo
- Zillow

FOR MORE INFORMATION

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