
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

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TRANSIT-ORIENTED HOUSING DEVELOPMENTS: ALTERNATIVE PLANS

Allows an SB 79 (Wiener, 2025) local alternative plan to reduce the net zoned capacity of a transit-oriented development zone by more than 50% if a city meets specified conditions.

Background

Land use. The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations. Zoning ordinances and other development decisions must be consistent with the city or county’s general plan.

California’s housing crisis. California has the largest concentration of severely unaffordable housing markets in the nation, with the average home value in California at \$773,363. To keep up with demand, the Department of Housing and Community Development (HCD) estimates that California must plan for the development of more than 2.5 million homes over the next eight years. Many economists point to zoning constraints as a cost driver. Last year, the Legislature passed SB 79 (Wiener, 2025) to remove some of these zoning constraints on projects near transit stops. Building housing near transit is also a strategy to combat climate change, since it can reduce reliance on automobile travel.

Historic preservation. At the federal level, historic preservation efforts are guided by the National Historic Preservation Act (NHPA) of 1966, which was enacted in response to the widespread destruction of historic and cultural sites during postwar infrastructure expansion and urban renewal projects. The NHPA established the National Register of Historic Places, the nation’s official inventory of historic sites, and created procedural protections requiring federal agencies to assess the impact of federal activities on historic resources. It also established a framework for state and local governments, tribal nations, and preservation organizations to participate in historic preservation efforts.

Preservation efforts focus on character-defining features, which are the architectural and physical elements that give a historic district or landmark its distinctive identity. These may include architectural elements, materials, and spatial relationships.

State historic preservation programs. In California, the Office of Historic Preservation (OHP), under the California State Parks, “administers federally and state mandated historic preservation programs to further the identification, evaluation, registration, and protection of California’s irreplaceable resources.” According to the latest version of California’s Statewide Historic Preservation Plan, historic preservation efforts have evolved over the past two decades beyond merely identifying and documenting historic resources. Preservation is now integrated into land use planning, economic development, affordable housing policy, disaster preparedness, and environmental quality initiatives.

Generally, all nominations for state-level listing of historic properties or districts must be submitted to the OHP and reviewed and approved by the nine-member State Historic Resources Commission (SHRC). Properties listed on the National Register of Historic Places or designated as California Historical Landmarks are automatically added to the State Historic Resource Inventory (SHRI). The SHRI includes the California Historical Landmarks, California Historical Points of Interest, and the California Register, which acts as an authoritative list of historical resources in California to be used by state and local agencies, private groups, and citizens to identify the state’s historical resources and to indicate what properties are to be protected, to the extent prudent and feasible, from substantial adverse change.

Local preservation requirements. Cities and counties may also adopt historic preservation requirements or designate historic districts pursuant to their police powers. According to a technical bulletin from the OHP, last updated in 2001, an estimated 250 to 300 cities and counties in California have adopted some kind of historic preservation ordinance.

Within historic districts, not all buildings or structures carry the same level of significance. “Contributing properties” are those built during the district’s period of significance, retain their historic integrity, and contribute to the overall historical, architectural, or cultural character of the district. Non-contributing properties may exist within a district, meaning that despite their geographic location they lack historic significance due to alterations or later construction.

One way local governments implement historic preservation requirements is through land use controls. According to OHP, “Because of the desire to strengthen the relationship between historic preservation and land use planning, some communities have adopted historic preservation overlay zones (HPOZs) as an alternative to the more traditional approach of designating individual properties or historic districts. HPOZs are established through the zoning ordinance, rather than the independent historic preservation ordinance. An HPOZ adds a layer of regulations over the underlying zoning regulations in a specific area. Another benefit that the zoning overlay has the potential to regulate use in addition to changes in design or fabric. In some jurisdictions HPOZs avoid the issue of a certain percentage of property owner approval. Other communities establish a historic district first through a historic preservation ordinance procedure, and then apply the historic overlay zoning.”¹

¹ Office of Historic Preservation, “Local Preservation Ordinances: Making Them Work for Your Community.”

The extent to which cities and counties use HPOZs vary widely—some jurisdictions have not designated an HPOZ, while others use them extensively. For example, the City of Los Angeles has established 35 HPOZs for neighborhoods it has deemed worthy of protection.

Senate Bill 79. SB 79 (1) made transit-oriented development (TOD) an allowable use on any site zoned for residential, commercial, or mixed use; and (2) allowed a transit agency to adopt objective standards for both residential and mixed-use development projects.

TOD development upzoning. SB 79 entitles a housing development within a specified distance of a transit stop in a residential, mixed-use, or commercial zone to specified development standards described in the table below.

TOD Stop Type	Dist. from Stop (TOD Zone)	Standards for Project
Tier 1: Major transit stop, heavy rail transit, or very high frequency commuter rail	¼ mile from stop	<ul style="list-style-type: none"> • Max Height: 75 ft or 95 ft if adjacent to stop • Max Density: 30 - 120 units per acre (u/a) plus any density bonus or 160 u/a if adjacent to stop • Floor Area Ratio (FAR): 3.5 or 4.5 if adjacent to stop
	¼ - ½ mile from stop in city with population at least 35,000	<ul style="list-style-type: none"> • Max Height: 65 ft • Max Density: 30 - 100 u/a plus any density bonus • FAR: 3
Tier 2: Not Tier 1 major transit stops served by light rail transit, high-frequency commuter rail, or bus rapid transit	¼ mile from stop	<ul style="list-style-type: none"> • Max Height: 65 ft or 85 ft if adjacent to stop • Max Density: 30 - 100 u/a plus any density bonus or 140 u/a if adjacent to stop
	¼ - ½ mile from stop in a city with a population at least 35,000	<ul style="list-style-type: none"> • Max Height: 55 ft • Max Density: 30 - 80 u/a plus any density bonus • FAR: 2.5

TOD housing development projects must also meet the following requirements:

- The average total area of floor space for the proposed units in the transit oriented housing development project cannot exceed 1,750 net habitable square feet; and
- The housing development project must include at least five dwelling units and meet the greater of the following:
 - A minimum density of at least 30 dwelling units per acre; or
 - The minimum density required under the local zoning, if applicable.

SB 79 prohibits projects from being located on specified sites subject to rent control within the last seven years. SB 79 projects must also meet specified affordability and labor standards.

SB 79 requires metropolitan planning organizations (MPOs) to create a map of TOD stops and zones. Based on those maps, a local government has to enact an ordinance to make its zoning consistent with SB 79, subject to HCD review.

Local alternative plans. SB 79 allows cities and counties to submit a local alternative plan to tailor SB 79's implementation to local conditions provided they maintain the same amount of housing as the general SB 79 provisions. Plans cannot reduce the maximum allowed density for any individual site by more than 50%, except for the following:

- Sites within a very high fire hazard severity zone;
- Sites that are vulnerable to one foot of sea level rise;
- Sites with a historic resource designation on a local register, so long as sites excluded from the density requirements of do not cumulatively exceed 10% of the eligible area of any TOD zone; and
- Sites within ½ mile of a Tier 2 TOD stop must not have a density below 30 units per acre with an FAR of 1.0 and should be considered for attached entry-level owner-occupied housing development opportunities.

The plan cannot reduce the capacity in any TOD zone by more than 50%. SB 79 allows local governments to exclude sites with a historic resource designated as of January 1, 2025, on a local register if the local government has adopted an ordinance pursuant to SB 79 indicating the site's exclusion within one year of adopting the seventh revision of the housing element.

Folsom Historic District. Folsom is a city of nearly 100,000 residents in Sacramento County. In the 1960s, to preserve its historical character, it relocated its central business district and established the Folsom Historic District. In 1998, the city expanded the historic district and established design standards to protect the historic character of the historic core of the city. Folsom has three stations that meet the definition of a TOD stop, one of which is in the Folsom Historic District.

The author wants to limit SB 79's application in and around the Folsom Historic District while making up for that lost housing capacity at Folsom's other TOD zones.

Proposed Law

Assembly Bill 2415 allows a local alternative plan to reduce the net zoned capacity of a TOD zone by more than 50% if a city meets the following conditions:

- The city has a population of less than 150,000;
- A majority of the TOD zone is part of a local historic district that was designated before January 1, 2000; and
- The city has more than one TOD zone.

Comments

1. Purpose of the bill. According to the author, "While California residents contend with a deepening housing shortage, it is the role of the legislature to increase availability and affordability. However, these ambitions cannot come at the expense of our history, culture, and community. Policies, such as those found in SB 79 of 2025, help increase housing development

near public transit. Unfortunately, not all transit zones can accommodate such development without sacrificing the existing environment. This is the case for the Folsom Historic District. While many preservation efforts focus on landmark buildings or famous figures, Folsom understood the value of safeguarding an entire everyday small-town environment – the walkable grid, mixed uses, and incremental development patterns. AB 2415 helps preserve historic districts, like the one in Folsom, while still advancing the state’s housing goals.”

2. Special treatment. SB 79 gave local agencies the ability to adopt local alternative plans to tailor SB 79 implementation to their local needs provided they maintained the same net zoned capacity and did not reduce the capacity in any TOD zone by more than 50%. SB 79 also provided specific protections for local historical resources. AB 2415 takes those protections one step further for a small subset of cities. Specifically, the measure allows cities under 150,000, with more than one TOD zone, and where the majority of one of those TOD zones falls into a local historic district designated before January 1, 2000, to reduce the net zoned capacity in that zone by more than 50%. In other words, cities that made a decision over a quarter century ago to designate a local historic district get more flexibility from SB 79’s requirements than those who did not. SB 79 would still require cities like Folsom to make up for the lost housing at one TOD zone by upzoning in another TOD zone. However, it does mean that housing development opportunities near transit and Folsom’s historic downtown may be more limited than if the Legislature did not provide this special treatment.

3. Not so urgent? AB 2415 becomes effective January 1, 2027. However, SB 79 goes into effect on July 1, 2026. That means for six months developers can submit projects in the Folsom Historic District before the city gets the opportunity to reduce capacity more than 50% in the zone.

4. Related legislation. The Legislature is considering various measures regarding SB 79’s implementation, including:

- AB 2576 (Harebedian) expands the historic sites exclusion in SB 79 to include contributing sites within a historic district and parcels individually listed as a historical resource in the State Historic Resources Inventory designated before January 1, 2025. The Committee is also scheduled to hear this measure at its July 1st hearing;
- SB 677 (Wiener), which this Committee approved at its January 14th hearing on a vote of 5-2, would have changed definitions of “high-frequency commuter rail” and “commuter rail” for purposes of implementing SB 79. The measure was later amended to remove provisions regarding SB 79 and replace with them with provisions related to another subject; and
- SB 1361 (Durazo), which this Committee approved at its April 29th hearing on a vote of 5-2, prohibits a local government with an existing or planned transit-oriented development (TOD) stop from taking actions to interfere with a transit project’s approval to avoid the upzoning provisions of SB 79. The measure is currently pending in the Assembly Local Government Committee.

5. Incoming! The Senate Rules Committee has ordered a double referral of AB 2415: first to the Committee on Housing, which approved the bill at its June 24th hearing on a vote of 10-0 and second to the Committee on Local Government.

Assembly Actions

Assembly Housing and Community Development Committee:	12-0
Assembly Local Government Committee:	10-0
Assembly Floor:	76-0

Support and Opposition (6/26/26)

Support: City of Folsom
Folsom Chamber of Commerce
Folsom Historic District Association
Folsom History
Friends of Folsom Preservation
Historic Folsom Residents Association
K Cole Policy Advisors
The Heritage Preservation League of Folsom
676 Individuals

Opposition: None Submitted

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