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## SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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**Bill No:** SB 1361

**Author:** Durazo

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**Fiscal:** No

**Consultant:** Peterson

### ***TRANSIT-ORIENTED HOUSING DEVELOPMENTS: LOCAL GOVERNMENTS: TRANSIT PROVIDERS AND PROJECTS***

*Prohibits a local government with an existing or planned transit oriented development stop from taking actions to interfere with a transit project's approval to avoid recent housing upzoning laws.*

#### **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 consideration. 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.

***Senate Bill 79 (Wiener, 2025).*** 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
<b>Tier 1:</b> Major transit stop, heavy rail transit, or very high frequency commuter rail	¼ mile from stop	<ul style="list-style-type: none"> <li>• <b>Max Height:</b> 75 ft or 95 ft if adjacent to stop</li> <li>• <b>Max Density:</b> 30 - 120 units per acre (u/a) plus any density bonus or 160 u/a if adjacent to stop</li> <li>• <b>Floor Area Ratio (FAR):</b> 3.5 or 4.5 if adjacent to stop</li> </ul>
	¼ - ½ mile from stop in city with population at least 35,000	<ul style="list-style-type: none"> <li>• <b>Max Height:</b> 65 ft</li> <li>• <b>Max Density:</b> 30 - 100 u/a plus any density bonus</li> <li>• <b>FAR:</b> 3</li> </ul>
<b>Tier 2:</b> 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"> <li>• <b>Max Height:</b> 65 ft or 85 ft if adjacent to stop</li> <li>• <b>Max Density:</b> 30 - 100 u/a plus any density bonus or 140 u/a if adjacent to stop</li> </ul>
	¼ - ½ mile from stop in a city with a population at least 35,000	<ul style="list-style-type: none"> <li>• <b>Max Height:</b> 55 ft</li> <li>• <b>Max Density:</b> 30 - 80 u/a plus any density bonus</li> <li>• <b>FAR:</b> 2.5</li> </ul>

TOD housing development projects must also meet the following requirements:

- The average total area of floor space for the proposed units in the 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 can enact an ordinance to make its zoning consistent with SB 79, subject to HCD review. Additionally, they can adopt a local TOD alternative plan that allows them to adopt their own standards provided that they maintain the same amount of housing as the general SB 79 provisions.

**SB 79 implementation.** As cities, counties, transit agencies, and MPOs move to implement SB 79, numerous questions have arisen around what stops qualify for SB 79 upzoning. For example, SB 79 defines high-frequency commuter rail to mean a commuter rail service operating a total of

48 trains per day across both directions. At certain stations, multiple commuter rail services use the same station. Local agencies do not know whether to stack the number of trains for each service that uses the station or count the number of trains for each service separately. In an effort to clarify SB 79's provisions before it goes into effect on July 1, 2026, in March 2026 HCD released advisory clarifications.

***SB 79 rollout in Los Angeles County.*** Los Angeles Metropolitan Transportation Agency (LA Metro) oversees the nation's largest transit capital program, with over \$36 billion invested in active capital projects, and \$220 billion worth of projects in the pipeline over the next 15 years. In the past four years LA Metro has opened four rail stations with four more under construction. Three bus rapid transit projects are in final design scheduled to open in 2028. These projects receive local funding through four, voter-approved ½ cent sales tax measures (for a total of 2%), but often rely on federal support as well. Since Los Angeles County falls under the definition of urban transit county, SB 79 requires upzoning near all its current and planned TOD stops. Recently, LA Metro launched an initiative to build 10,000 housing units by 2031, including 5,000 income-restricted homes. This initiative is part of Metro's Joint Development Program, which collaborates with local cities and developers to deliver transit-oriented housing on LA Metro-owned properties.

Some cities in Los Angeles County oppose SB 79's upzoning requirements, and have sought to pull their support for LA Metro projects to avoid SB 79 upzoning requirements. According to LA Metro, not having full local support can reduce competitiveness for federal funds.

For example, LA Metro reports that the City of Paramount has pulled its support for the Southeast Gateway Line project. This project intends to serve 11 communities home to over 1.4 million residents and Paramount is in the center of the proposed alignment.

Also, LA Metro is planning to build the North Hollywood to Pasadena Bus Rapid Transit Corridor Project. It needed local approval from the cities along the route to build dedicated lines in the public right of way. Burbank approved the final environmental review documents in 2022, and on March 26, 2024, Burbank's City Council approved a Cooperative Agreement with LA Metro for its design and construction. On January 30, 2026, the City of Burbank notified LA Metro that SB 79's mandatory upzoning changes the circumstances under which it approved the project and requested LA Metro to redo its environmental review. Redoing these reviews will cost LA Metro money and could delay the project.

LA Metro wants to ensure that local governments do not compromise transit projects due to their opposition of SB 79.

### **Proposed Law**

Senate Bill 1361 prohibits a local government with an existing or planned TOD stop from doing any of the following with respect to SB 79:

- Requesting the transit provider to reduce service provided to the stop so that SB 79 requirements do not apply;
- Conditioning an approval or review of a transit project on the impacts of the additional height or density required by SB 79; or

- Withholding support of an application for federal funding of a transit project on the basis of the additional height or density required by SB 79.

### Comments

1. Purpose of the bill. According to the author, “LA Metro has a plan to build 10,000 homes on public land near transit, with 50 percent set aside as affordable, deed-restricted housing, and has already delivered about 2,600 homes. That effort is gaining momentum and reflects California’s goal of pairing housing production with strong public transportation.

“At the same time, unintended consequences have emerged since last year’s enactment of transit-oriented housing requirements around existing and planned transit stops. For example, some cities have begun withdrawing support for LA Metro’s transit projects because of concerns tied to those housing standards. That includes the Southeast Gateway Line, which is competing for federal funding, and the North Hollywood to Pasadena Bus Rapid Transit project, which is nearing construction.

“This is an issue taking place in different areas across the state. When local support becomes uncertain for those reasons, projects can face delays, higher costs, and reduced competitiveness for state and federal dollars. Good-paying construction jobs can also be put at risk. SB 1361 is a narrow, practical tool to help ensure California’s housing and transportation goals move forward together, not at cross-purposes. It is intended as a backstop, not something frequently used. But when disputes tied solely to housing standards threaten critical transit investments, SB 1361 helps keep decisions focused on legitimate local considerations while allowing California to continue advancing housing and reliable transit service.”

2. Rock and a hard place. No cities supported SB 79. Several expressed concerns with the impact that upzoning would have on their communities. Now that the July 1, 2026, effective date is near, cities are figuring out how to implement SB 79 and deciding whether to come up with a local alternative plan to tailor the bill to local conditions. Some cities have looked to exploit some of the flexibility and exceptions to SB 79 to limit when and where the bill applies. One way some cities have sought to do that is by looking for ways to limit transit service. In the case of rail, Paramount asked for no station to be built. In the case of bus routes, some cities have considered modifying the frequency of their service so that SB 79 won’t kick in. If successful, the result of SB 79 in these communities could be no housing and less transit, which could result in more automobile trips and congestion. Transit providers, like LA Metro, are feeling the pressure of their planned stops serving as a trigger for SB 79, which is throwing a wrench in their expansion plans even though they do not play a role in deciding where SB 79 applies. SB 1361 tries to limit the options cities have to put transit projects and their funding at risk. That said, there is some truth to the claims of cities like Burbank that SB 79 upzoning means the impacts of a new transit project could be much greater and are not accounted for in existing planning documents. It is unclear what happens when another state law, like the California Environmental Quality Act, compels a local agency to require additional review in a way that conflicts with SB 1361. Does SB 1361 adequately balance the needs of transit agencies and cities planning for housing?

3. There’s a hole in my bucket. SB 1361 tries to limit the ways cities can withhold support of transit projects so they can avoid SB 79 upzoning requirements. While the measure says local

agencies cannot request the removal of a transit station for a planned route, condition approvals on SB 79, and withhold support for federal funding, it might be hard for a transit agency to prove that the local agency's action is based solely on SB 79 upzoning. The measure does not account for each and every way that local agencies may try to avoid SB 79 requirements.

4. I can see clearly now. Committee staff recommend the following clarifying amendments:

- SB 79 uses the term *transit agency*, not *transit provider*. To ensure consistency with SB 79, the Committee may wish to consider amending the bill to replace *transit provider* references with the term *transit agency*;
- SB 1361 uses the terms *stop* and *transit-oriented development stop* interchangeably. To ensure consistency, the Committee may wish to consider amending the bill to use the term *transit-oriented development stop* uniformly in the bill; and
- SB 1361 provides that a local agency cannot *condition* an approval of a transit project on SB 79 requirements, but it does not explicitly prohibit a local agency from *withholding* approval. To ensure SB 1361 does not unintentionally allow local agencies to withhold approval, the Committee may wish to consider amending the bill to prohibit local agencies from conditioning *or* withholding approval of transit projects.

5. I feel it coming. The Senate Rules Committee has ordered a double referral of SB 1361: first to the Committee on Housing, which approved the bill at its April 21st hearing on a vote of 9-1, and second to the Committee on Local Government.

#### **Support and Opposition** (4/24/2026)

Support: Los Angeles County Metropolitan Transportation Authority (Sponsor)

Opposition: None submitted to the current version of the bill.

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