

SENATE THIRD READING

SB 1361 (Durazo)

As Amended June 23, 2026

Majority vote

SUMMARY

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 (Wiener), Chapter 512, Statutes of 2025.

Major Provisions

- 1) Prohibits a local government impacted by SB 79 with an existing or planned TOD stop from doing any of the following:
 - a) Requesting the transit agency reduce service provided to the TOD stop, remove the TOD stop, or remove a dedicated transit lane so that the upzoning requirements of SB 79 do not apply;
 - b) Conditioning or withholding an approval or review of a transit project that includes a TOD stop on the basis of the impacts of additional height or density available to a TOD housing project under SB 79; and
 - c) Withholding or withdrawing support of an application for funding of a transit project that includes a TOD stop on the basis of additional height or density available to a TOD housing project under SB 79.
- 2) Makes other technical and non-substantive changes.

COMMENTS

Planning for Housing: Historically, housing planning and land use decisions in California have been delegated to local governments, which exercise primary authority over land use, zoning, permitting, and development approvals through their police power. While the state has long required each jurisdiction to adopt a housing element identifying how it will accommodate its share of regional housing need, these requirements historically lacked meaningful enforcement mechanisms. In addition, earlier iterations of Housing Element Law and the Regional Housing Needs Allocation (RHNA) process required significantly less upzoning and did not compel jurisdictions to adopt zoning that could realistically accommodate assigned housing needs. As a result, jurisdictions could comply on paper while maintaining restrictive zoning and development standards that limited actual housing production. Local discretionary approval processes further allowed projects to be delayed, reduced in scale, or denied based on subjective criteria, contributing to significant constraints on housing supply, particularly in high-opportunity areas.

According to a 2024 analysis by the Othering & Belonging Institute at UC Berkeley, a staggering 95.8% of all residential land in California is zoned exclusively for single-family housing, severely constraining opportunities for infill development near transit. Even when lower-density unincorporated areas are excluded, over 82% of residentially zoned land in the state prohibits multifamily housing. The state has taken some strides to facilitate additional housing typologies in exclusionary zoning districts, namely through State Accessory Dwelling Unit (ADU) Law and

SB 9 (Atkins), Chapter 161, Statutes of 2021, effectively making single-family zoned parcels eligible to accommodate up to four dwelling units. However, much of California's residential land remains off-limits for denser development, regardless of how well-situated the land may be when it comes to access to jobs, transportation, and other opportunities.

SB 79: In recent years, the state has taken a series of actions to address local constraints on housing production by both expanding allowable residential density and shifting project approvals from discretionary review to more predictable, ministerial processes governed by objective standards. SB 79 was one of these most recent attempts to encourage additional residential density in climate-smart locations. SB 79 establishes a statewide framework to increase residential density near major transit stops in urban transit counties by making qualifying housing development an allowable use on sites zoned for residential, mixed-use, or commercial development within specified distances of transit in urban transit counties. The bill sets minimum statewide standards for height, density, and residential floor area ratio based on a project's proximity to high-quality transit, and limits the ability of local governments to impose standards that would physically preclude achieving those thresholds. Projects must include at least five units and comply with specified affordability, labor, and antidisplacement requirements, including prohibitions on demolishing rent-restricted housing and requirements to provide deed-restricted affordable units for developments containing more than 10 units.

SB 79 applies to cities with a population of at least 35,000 within an urban transit county that have qualifying high-quality transit stops, and requires that, beginning July 1, 2026, housing development projects be an allowable use on qualifying sites within one-half mile of a TOD stop (or one-quarter mile in smaller jurisdictions). The bill establishes a series of implementation deadlines, including requiring the Department of Housing and Community Development (HCD) to issue guidance by July 1, 2026 on how SB 79 capacity is counted toward a jurisdiction's housing element sites inventory, and requiring Metropolitan Planning Organizations (MPOs) to prepare maps of TOD stops and zones to guide implementation. Local governments may adopt implementing ordinances or local TOD alternative plans, subject to HCD review, prior to July 1, 2026, to tailor development standards, so long as the plan maintains equivalent overall residential capacity. SB 79 also provides that, beginning January 1, 2027, denial of a qualifying project in a high-resource area is presumed to violate the HAA, subject to specified exceptions.

Within this framework, SB 79 provides local governments with the ability to craft local alternative plans and implement ordinances. This includes providing local governments with limited local flexibility to reduce development intensity on certain sites. A local TOD alternative plan may reduce the allowable density on an individual site by up to 50% below SB 79's baseline standards, and may further reduce or exempt sites designated as historic resources on a local register, provided that such exemptions do not cumulatively exceed 10% of the total eligible area within a TOD zone. In addition, SB 79 allows local governments, through an implementing ordinance, to fully exempt sites designated as historic resources on a local register as of January 1, 2025 from SB 79 until one year following the adoption of a seventh cycle housing element.

SB 79 Rollout in Los Angeles County. The 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 (BRT) projects are in the final design stages and 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 opposed SB 79 while it was moving through the Legislative process, and, according to LA Metro, have sought to pull their support for LA Metro projects to avoid SB 79 upzoning requirements within their jurisdiction. According to LA Metro, not having full local support can reduce competitiveness for funds. Furthermore, LA Metro cites a proposed BRT project that received environmental clearance under CEQA from the local lead agency, but was later notified that the environmental review would need to be redone due to the mandatory changes to zoning that would be imposed by SB 79.

This Bill: This bill is sponsored by LA Metro in an effort to ensure that local governments do not compromise transit projects in the pipeline due to their opposition to SB 79's upzoning provisions. It would amend SB 79 to prohibit a local government with an existing or planned TOD stop from taking actions to interfere with a transit project's approval to avoid upzoning. Specifically, it prevents any local government subject to the provisions of SB 79 from doing any of the following:

- 1) Requesting a transit agency reduce service provided to a TOD stop, remove a TOD stop, or remove a dedicated transit lane so that the upzoning requirements of SB 79 do not apply;
- 2) Conditioning or withholding an approval or review of a transit project that includes a TOD stop on the impacts of additional height or density available to a TOD housing project under SB 79; and
- 3) Withholding or withdrawing support of an application for funding of a transit project that includes a TOD stop on the basis of additional height or density available to a TOD housing project under SB 79.

While this bill prevents local governments from using the upzoning provisions of SB 79 as the basis for reducing transit service, withholding local approvals, or withholding or withdrawing support for funding, it does not require the local governments to affirmatively support these transit investments or to withhold support on non-SB 79-related grounds.

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."

Arguments in Support

According to LA Metro, the bill sponsor, "LA Metro works closely with cities to secure competitive funding and build transit projects throughout the region. Our agency has a long history of working very cooperatively with municipalities on issues such as utility relocation, bus lane infrastructure, and transit signal priority. However, we believe that SB 79 is threatening our transit progress by creating unintended consequences in Los Angeles County. The statute links increased density and development standards to both existing and planned transit stops. In practice, this linkage is creating opposition to transit capital projects themselves. We are already seeing this on the ground, Local jurisdictions and stakeholder groups that otherwise support transit are expressing resistance to rail and bus rapid transit projects.

SB 1361 provides another tool in our toolbox for advancing our projects on time and within budget. The amendments to SB 1361 remove the ability for objections to be made to transit projects on the basis of opposition to increased density requirements in SB 79. We believe this will better support the goals of advancing both housing and transit in the State of California, which we share with the legislature."

Arguments in Opposition

The City of Pico Rivera writes in opposition: "SB 1361, however, takes a punitive rather than collaborative approach. The amended language appears to presume that cities are seeking to circumvent or obstruct state law whenever they evaluate transit projects or consider land use impacts. That premise is both unfair and counterproductive. Local governments are not obstacles to progress; they are essential partners in delivering successful transit-oriented communities. By imposing inflexible restrictions and effectively second-guessing local decision-making, the bill undermines the very coordination that is necessary to implement transit and housing solutions effectively.

A one-size-fits-all mandate from the state fails to recognize that each community faces unique land use patterns, infrastructure constraints, fiscal realities, and neighborhood considerations. Cities should not be penalized for supporting transit and housing in a way that is thoughtful, locally informed, and responsive to community conditions. Legislation such as SB 1361 risks discouraging the kind of proactive planning and partnership that cities like Pico Rivera have already undertaken in good faith."

FISCAL COMMENTS

Unknown. This bill is keyed non-fiscal by the Legislative Counsel.

VOTES**SENATE FLOOR: 31-8-1**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Niello

ASM HOUSING AND COMMUNITY DEVELOPMENT: 9-0-3

YES: Haney, Ávila Farías, Caloza, Ward, Kalra, Lee, Quirk-Silva, Wicks, Wilson

ABS, ABST OR NV: Patterson, Ta, Tangipa

ASM LOCAL GOVERNMENT: 8-1-1

YES: Carrillo, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

NO: Johnson

ABS, ABST OR NV: Ta

UPDATED

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CONSULTANT: Dori Ganetsos / H. & C.D. / (916) 319-2085

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