

Date of Hearing: August 20, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

SB 79 (Wiener) – As Amended July 17, 2025

Policy Committee:	Housing and Community Development	Vote:	9 - 2
	Local Government		6 - 1

Urgency: No                      State Mandated Local Program: Yes                      Reimbursable: No

**SUMMARY:**

This bill requires a housing development project near a transit-oriented development (TOD) stop be an allowable use on a site zoned for residential, mixed, or commercial development, if the housing development meets certain requirements.

This bill also allows a transit agency to adopt TOD zoning standards for district-owned land located in a TOD zone, which establish minimum zoning requirements for an agency TOD project. The bill requires an affected city or county to adopt a local zoning ordinance that conforms to the transit agency's zoning standards within two years.

Major provisions include:

- 1) Beginning July 1, 2026, requires a housing development be an allowable use on any site zoned for residential, mixed, or commercial development within one-half or one-quarter mile of a TOD stop, if the development complies with specified density, affordability, and other development standards, unless the local agency adopts an ordinance or local TOD alternative plan deemed compliant by the Department of Housing and Community Development (HCD) before July 1, 2026.
- 2) Beginning January 1, 2027, provides a local government that denies a transit-oriented housing development project proposed pursuant to this bill located in a high-resource area is presumed to be in violation of the Housing Accountability Act (HAA) and is immediately liable for penalties, unless as otherwise specified.
- 3) Authorizes a transit agency to adopt by resolution TOD zoning standards for district-owned real property located in a TOD zone. These standards must establish, consistent with the other requirements, minimum local zoning requirements for height, density, and floor area ratios, that apply to an agency TOD project, as defined.
- 4) Where local zoning is inconsistent with the TOD zoning standards for a transit station, requires the local jurisdiction to adopt a local zoning ordinance that conforms to the TOD zoning standards and is operative within two years of the date the TOD zoning standards are adopted by the board.
- 5) Provides that a transit-oriented housing development project proposed pursuant to this bill be eligible for streamlined ministerial approval pursuant to SB 423 (Wiener), Chapter 778, Statutes of 2023.

- 6) Requires HCD to oversee compliance with this bill, including promulgating standards by July 1, 2026, on accounting for capacity pursuant to this bill in a city or county's inventory of land suitable for residential development pursuant to Housing Element Law.
- 7) Authorizes a local government to enact an ordinance making its zoning code consistent with the provisions of this bill, subject to review by HCD, in accordance with specified provisions. If a local government adopts an ordinance, it must submit a copy to HCD within 60 days of enactment, and HCD must review the ordinance within 60 days, as specified.
- 8) Requires a metropolitan planning organization (MPO) to create a map of TOD stops and zones designated pursuant to this bill, as specified. Provides this map has a rebuttable presumption of validity for use by project applicants and local governments.

**FISCAL EFFECT:**

- 1) HCD estimates ongoing General Fund (GF) costs of at least \$955,000 annually, potentially higher depending on the number of jurisdictions that utilize the bill's provisions. These costs include additional resources to review ordinances enacted by jurisdictions to make their zoning consistent with the bill's TOD provisions, and to address additional technical assistance requests and complaints of potential violations from developers, housing advocates, and legal organizations. These costs also include additional staff to review TOD alternative plans adopted by jurisdictions as part of their housing elements, within the bill's 60-day deadline for HCD to review local implementing ordinances.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate additional cases filed as a result of the expansion of projects subject to provisions of the HAA. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.
- 3) Costs to local agencies of an unknown amount to revise planning requirements and considerations for specified development projects near a TOD stop. These costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates.
- 4) Costs to each MPO of an unknown amount to create a map of TOD stops and zones designated pursuant to this bill. These costs are not reimbursable by the state because MPOs not eligible claimants with the Commission on State Mandates for state-reimbursement of local mandated costs.

**COMMENTS:**

- 1) **Purpose.** According to the author:

[This bill] tackles the root causes of California's affordability crisis by allowing more homes to be built near major public transportation stops and on land owned by transit agencies – bolstering transit use, slashing climate emissions, and supporting public transportation in the process.

[This bill] allows more homes near transit in two major ways. First, [this bill] allows for upzoning land for multi-family homes up to 75 feet within a half mile of specified major train stations and bus rapid transit stops. This change will ensure that transit oriented developments (TODs) are feasible and enhance access to transit. Second, [this bill] authorizes local transit agencies to develop on land they own.

California needs to build millions of new homes in sustainable locations to meet state housing goals, slash climate emissions, and reduce the cost of living, but overly restrictive zoning codes make building such homes illegal. [This bill] allows building more homes near transit to lower costs for families while bolstering public transit use and supporting cash-strapped transit agencies.

- 2) **Background. HAA.** Existing law, the Housing Accountability Act (HAA), limits the ability of a local government to disapprove or condition a project in a manner that renders the project economically infeasible. Under the HAA a local government must approve a housing development project that is consistent with its objective general plan and zoning and subdivision standards, unless the project poses a risk to public health and safety that cannot be addressed without denying the project or reducing its size. The HAA generally puts the burden of proof on the local agency to demonstrate that its decisions meet the HAA's requirements.

The HAA authorizes HCD to refer cases of violation to the AG. It also allows any of the following to bring an enforcement action: a project applicant, a person who would be eligible to reside in the proposed development, and a housing organization, as defined. If a court finds a local agency to be in violation of the HAA, it may issue an order or judgement compelling compliance with the HAA within 60 days. The HAA also allows a court to impose fines on a local agency that has violated the HAA. Such a fine must be a minimum of \$10,000 per unit, and the court may impose additional fines if the court finds the locality acted in bad faith. Litigants supporting affordable housing projects can also recover their attorney's fees, with some limitations.

This bill expands the types of projects subject to provisions of the HAA to include development projects within one-quarter to one-half mile of a TOD stop.

**Land Use Authority.** The California Constitution allows a city 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 local governments derive their land use authority. Cities and counties use their police power to enact zoning ordinances that shape development.

This bill overrides local zoning authority to allow transit agencies to zone their own property, and requires a local jurisdiction to conform to the agency's TOD zoning standards within two years of their approval by the agency's board.

***Precedent.*** AB 2923 (Chiu), Chapter 1000, Statutes of 2018, authorized the Bay Area Rapid Transit District (BART) to implement its own TOD zoning on land owned by BART within one-half mile radius of a transit station. The intent was to help BART achieve its goal of enabling up to 20,000 new homes, including at least 7,000 affordable units, on BART-owned land. According to BART's website, the TOD program has completed developments at sixteen stations, totaling 4,140 housing units and 865,000 square feet of commercial space. The TOD program has projects in the pipeline that are in construction and planning/predevelopment stages.

- 3) **Support and Opposition.** Supporters of this bill, including co-sponsors Bay Area Council, California YIMBY, Greenbelt Alliance, SPUR, Streets for All, as well as various local housing and transit advocacy organizations, argue that this bill will help address California's housing and climate crises by enabling more housing near high-quality transit.

Opponents of this bill, including equity-focused nonprofits and local governments, express concerns that the bill lacks adequate safeguards to preserve affordability and maintain local planning authority.

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