

SENATE THIRD READING
SB 79 (Wiener)
As Amended September 02, 2025
Majority vote

SUMMARY

This bill requires a housing development project within a ½ mile radius of existing or currently proposed major transit-oriented development (TOD) stop, as defined, 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.

Major Provisions

- 1) Defines "Tier 1 transit-oriented development (TOD) stop" as a TOD stop within an urban transit county served by heavy rail transit or very high frequency commuter rail.
- 2) Defines "Tier 2 TOD stop" as a TOD stop within an urban transit county, excluding a Tier 1 TOD stop, served by light rail transit, by high-frequency commuter rail, or by bus service meeting the separate right-of-way and 15 minutes or less services frequency standards for bus rapid transit specified in the California Environmental Quality Act (CEQA).
- 3) 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 Tier 1 or Tier 2 TOD stop, if the development complies with specified density, affordability, antidisplacement, 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.
- 4) Allows a local government to enact and enforce standards, including an inclusionary zoning requirement that applies generally within the jurisdiction, that do not, alone or in concert, prevent achieving the applicable development standards of 3) above, so long as they do not apply to projects solely on the basis of them being proposed under the provisions of this bill.
- 5) 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.
- 6) 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, as well as residential and affordability requirements.
- 7) 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.

- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.

COMMENTS

California's Statewide Housing Plan: In 2022, HCD released its most recent update to the statutorily required Statewide Housing Plan (Plan). The Plan "lays out a vision to ensure every Californian has a safe, stable, and affordable home."¹ One of the Plan's objectives for the state is to produce more affordable, climate-smart housing. HCD emphasizes increasing housing supply across income levels, focusing production in high-opportunity areas without displacing residents, reducing costs, and enforcing existing housing laws. Recommended actions include (1) encouraging a greater diversity of housing types in all neighborhoods, and (2) directing new development into existing communities to reduce vehicle miles traveled (VMT) and mitigate climate impacts.

This bill seeks to facilitate the construction climate-smart housing by making housing an allowable use on all parcels within a ½ mile radius of existing TOD stops and transit stops included in a regional transportation plan, with varying development standards, further described below. In doing so, it both encourages a greater diversity of housing types near transit, and encourages climate-smart housing in existing communities.

Transit-Oriented Development (TOD): TOD refers to compact, pedestrian-oriented development within walking distance of high-quality transit. Research shows TOD can reduce greenhouse gas emissions, lower VMT, and support inclusion by expanding access to affordable housing near jobs and services. Yet California's urban form reflects a century of auto-centric planning, with low densities, wide streets, and limited housing available near transit. Even with the state's significant financial investments in our transit system, ridership remains low, especially outside dense urban cores. According to UC Berkeley's Othering & Belonging Institute, 95.8% of California's residential land is zoned exclusively for single-family homes, constraining opportunities for infill near transit. Even when lower-density unincorporated areas are excluded, over 82% of residentially zoned land in the state prohibits multifamily housing production. While state laws such as ADU reforms and SB 9 SB 9 (Atkins), Chapter 161, Statutes of 2021

¹ <https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136>

have opened single-family parcels to more housing typologies, most residential land still excludes denser housing development under local zoning.

Upzoning land near existing transit and job centers is one strategy to counter these exclusionary land use patterns and reduce residential sprawl. Upzoning near transit can expand housing supply in walkable locations, but proximity alone does not guarantee shifts in travel behavior. Where parking is abundant or bundled with housing, residents often continue to drive, even near high-quality transit. Complementary policies and infrastructure are therefore critical. AB 2097 (Friedman) Chapter 459, Statutes of 2022, eliminated local minimum parking requirements near transit. A 2020 UCLA study found residents in buildings without bundled parking are substantially more likely to commute without a car. Equally important are first- and last-mile connections: safe sidewalks, bike routes, and micro-mobility access can determine whether living near transit translates into actually using it. When combined, land use reforms that upzone around transit, parking policies that reduce automatic car dependence, and investments in first- and last-mile infrastructure create conditions where transit becomes a practical alternative, producing measurable reductions in VMT. This bill builds on these approaches by aligning land use patterns with transit investments, furthering the state's housing, climate, and equity goals, and potentially maximizing returns on public infrastructure spending.

SB 79 Development Standards. Beginning July 1, 2026, this bill makes housing an allowable use on sites zoned residential, mixed-use, or commercial within one-half mile of an existing or currently proposed qualifying TOD stop. Projects must include at least five units, achieve the greater of 30 dwelling units per acre (du/acre) or meet the local minimum density requirements, and maintain an average unit size not exceeding 1,750 square feet.

Within one-quarter mile of a Tier 1 TOD stop, local governments may not impose height limits below 75 feet, densities below 120 du/acre, or standards that physically preclude a FAR of 3.5; for sites located $\frac{1}{4}$ to $\frac{1}{2}$ mile of a TOD stop, the statewide baselines are 65 feet, 100 du/acre, and a FAR of 3. For Tier 2 stops, the baselines are 65 feet, 100 du/acre, a FAR of 3 within $\frac{1}{4}$ mile, and 55 feet, 80 du/ac, a FAR of 2.5 between $\frac{1}{4}$ and $\frac{1}{2}$ mile of the transit stop. Local standards that would "physically preclude" these FAR thresholds may not be enforced. Projects directly adjacent to a qualifying TOD stop are eligible for an "adjacency intensifier" of +20 feet height, +40 du/acre, and +1 FAR, applied before Density Bonus Law (DBL).

Projects that meet higher density thresholds are eligible for additional concessions under DBL: three concessions within $\frac{1}{4}$ mile of a Tier 1 stop at ≥ 90 du/acre; two at ≥ 75 du/acre for Tier 1 ($\frac{1}{4}$ – $\frac{1}{2}$ mile) and Tier 2 ($\leq \frac{1}{4}$ mile); and one at ≥ 60 du/acre for Tier 2 ($\frac{1}{4}$ – $\frac{1}{2}$ mile). Local governments may also designate additional Tier 3 stops under an approved local plan that would be eligible for the provisions of this bill.

Affordability and anti-displacement requirements apply to all proposed SB 79 developments. Where a local inclusionary ordinance requiring the provision of affordable housing mandates higher or deeper affordability requirements than those included in the bill, it controls; otherwise, projects over ten units must provide 7% extremely low income, 10% very low income, or 13% lower-income units, with deed-restricted 55-year (rental) or 45-year (ownership) covenants. All SB 79 developments must comply with the anti-displacement provisions of the Housing Crisis Act of 2019 and with any applicable local anti-demolition ordinances. Sites that would otherwise qualify for SB 79 due to zoning and location are ineligible to use the bill if they would require

the demolition of rent-stabilized or rent-controlled units occupied by a tenant in the past five years, or where such units were demolished in the prior five years.

Beginning January 1, 2027, denial of a compliant SB 79 project in a high-resource area is presumed to be a violation of the Housing Accountability Act (HAA), subject to enforcement, unless the city demonstrates a valid health or safety reason for the denial. Qualifying SB 79 projects are also eligible for ministerial approval under SB 423, even in jurisdictions that would not otherwise be subject to SB 423, and even if the standards in this bill conflict with local zoning requirements, expanding the potential for streamlined approval to more TOD.

Local TOD Alternative Plan. This bill allows for some flexibility in local implementation through the Local TOD Alternative Plan process. In the 6th housing element cycle, jurisdictions may adopt a local TOD Alternative Plan by ordinance, subject to HCD review. Beginning in the 7th cycle and thereafter, a plan may be included in the housing element or adopted by ordinance, again with HCD approval. A local plan may alter the general development standards prescribed by this bill, but must maintain at least the same net zoned capacity (measured in both units and residential floor area) as SB 79 provides, and may not reduce maximum density on any site or total capacity in any TOD zone by more than 50%. To prevent overreliance on a small number of parcels, credited site capacity is capped at 200% of this bill's baseline. Metropolitan planning organizations (MPOs) are required to publish TOD tier maps with a rebuttable presumption of validity, and HCD will review local plans for compliance, including fair housing impacts. HCD must also issue guidance by July 1, 2026, on how SB 79 capacity is to be counted in local sites inventories for future housing element cycles. Jurisdictions may exempt sites within one-half mile of a TOD stop if there is no walking path of less than one mile, and may designate additional major transit stops as Tier 3, with plans limited to such designations exempt from full review.

Transit Agency Land Use Authority. Under this bill, transit agencies may adopt objective agency TOD zoning standards for property owned as of January 1, 2026, or for contiguous sites where at least 75% of the area lies within ½ mile of a TOD stop that the agency serves. Agency property acquired through eminent domain after July 1, 2025, is not eligible.

These standards must allow residential use, meet or exceed this bill's baseline height, density, and FAR, and may not exceed 200% of the bill's maximum density. Agency TOD projects must be at least 50% residential, include at least 20% deed-restricted lower-income units (55 years for rental, 45 years for ownership), and maintain an average unit size of 1,750 square feet or less. Projects must also qualify as infill for purposes of existing CEQA exemptions. If the local jurisdiction does not adopt conforming zoning within two years of the agency TOD zoning standard adoption, the agency's standards apply. Adoption of agency standards is subject to CEQA, with subsequent rezonings and projects eligible to tier from that review where no new significant impacts are identified. Local governments may apply additional objective standards only if consistent with the agency's minimums and are not required to approve height beyond this bill's adjacency baseline. When adopting standards, transit agencies must hold at least one public hearing and consult with affected local governments and communities of concern to ensure equitable engagement and coordination with local planning priorities.

According to the Author

"SB 79 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.

SB 79 allows more homes near transit in two major ways. First, SB 79 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, SB 79 authorizes local transit agencies to develop on land they own. All TODs under SB 79 are eligible for the streamlined ministerial approvals process under SB 423 (Wiener, 2023) if they meet the law's environmental, labor, and affordability standards.

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. SB 79 allows building more homes near transit to lower costs for families while bolstering public transit use and supporting cash-strapped transit agencies."

Arguments in Support

A group of local elected leaders from across California writes in support: "SB 79 will help address the state's ongoing housing shortage while promoting sustainable development, reducing traffic congestion, and supporting public transit systems.

While each of our communities is unique, they all face shared challenges from high housing costs and the effects of climate change. We have seen the effects of rising rent burden and unattainable homeownership, essential workers priced out into long commutes, and climate disasters from fires to flooding to extreme heat. For those reasons, we all share a commitment to policy solutions that address California's housing crisis, the global climate crisis, and their intersection.

Restrictive zoning in too many existing communities blocks the new housing we need and forces development into sprawl - increasing traffic and pollution, and accelerating the loss of open space and farmland. Building more homes near high quality transit reduces transportation and housing costs for California families and promotes environmental sustainability, economic growth, and lower climate pollution.

SB 79 represents a crucial step toward addressing California's housing and climate challenges. By unlocking the potential of land near transit, this bill will create more livable, walkable, and affordable communities for Californians."

Arguments in Opposition

The Contra Costa County Board of Supervisors and the Board of Directors for the Contra Costa County Fire Protection District write in opposition: "This bill would override state-certified housing elements, eliminate local land use authority, and grant broad development powers to transit agencies—without adequate consideration for fire safety, infrastructure capacity, or community planning.

Contra Costa County has a long-standing commitment to transit-oriented development. Since the 1980s, we have pursued a vision for high-quality, walkable communities centered around transit, exemplified by the successful development of Contra Costa Centre near the Pleasant Hill BART

Station. This progress was made possible through thoughtful local planning and control, which allowed us to balance housing growth with infrastructure, safety, and community needs.

SB 79 would dismantle this balance. It mandates local approval of dense, multi-story housing—up to seven stories and 120 units per acre—near designated transit stops, regardless of local zoning, environmental review, or public input. This top-down approach disregards the state's own housing element process and undermines years of community engagement and planning.

Of particular concern is the bill's potential impact on public safety. In areas like Lafayette and Orinda, where roadways are narrow and evacuation routes are limited, increasing housing density without addressing fire evacuation logistics poses serious risks. Adding thousands of residents to areas with constrained access could hinder emergency response and evacuation during wildfires, placing lives at risk."

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 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.

VOTES

SENATE FLOOR: 21-13-6

YES: Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Dahle, Gonzalez, Grayson, Grove, Hurtado, Laird, McGuire, McNerney, Ochoa Bogh, Padilla, Pérez, Richardson, Umberg, Weber Pierson, Wiener

NO: Alvarado-Gil, Archuleta, Blakespear, Choi, Durazo, Jones, Menjivar, Niello, Seyarto, Stern, Strickland, Valladares, Wahab

ABS, ABST OR NV: Allen, Cortese, Limón, Reyes, Rubio, Smallwood-Cuevas

ASM HOUSING AND COMMUNITY DEVELOPMENT: 9-2-1

YES: Haney, Patterson, Ward, Kalra, Lee, Quirk-Silva, Tangipa, Wicks, Wilson

NO: Ávila Farías, Garcia

ABS, ABST OR NV: Ta

ASM LOCAL GOVERNMENT: 6-1-3

YES: Carrillo, Hoover, Ramos, Stefani, Ward, Wilson

NO: Ta

ABS, ABST OR NV: Pacheco, Ransom, Blanca Rubio

ASM APPROPRIATIONS: 8-6-1

YES: Wicks, Arambula, Caloza, Elhawary, Fong, Mark González, Ahrens, Tangipa

NO: Sanchez, Calderon, Dixon, Pacheco, Solache, Ta

ABS, ABST OR NV: Pellerin

UPDATED

VERSION: September 02, 2025

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

FN: 0001491