

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 1361 (Durazo) – As Amended June 23, 2026

SENATE VOTE: 31-8

SUBJECT: Transit-oriented housing developments: local governments: transit agencies and projects

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. Specifically, **this bill:**

- 1) Prohibits a local government with an existing or planned TOD stop from doing any of the following:
 - a) Requesting the transit agency to reduce service provided to the TOD stop, remove a transit-oriented development stop, or remove a dedicated transit lane so that the 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 transit-oriented housing development project as required by SB 79.
 - 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 transit-oriented housing development project as required by SB 79.
- 2) Makes other technical and conforming changes.

EXISTING LAW:

- 1) Creates, pursuant to SB 79, a streamlined, ministerial approvals process for housing development projects in urban transit counties meeting certain objective standards within a specified distance of transit-oriented development (TOD) stops as follows:
 - a) Makes housing development projects an allowable use on any site zoned for residential, mixed-use, or commercial development within one-half mile of a TOD stop in cities with a population of 35,000 or more, and within one-quarter mile of a TOD stop in cities with a population of less than 35,000.
 - b) Establishes minimum land use standards, including requirements related to height, density, and floor area ratio, for TOD housing projects based on proximity to the TOD stop and the population of the jurisdiction. [Government Code (GOV) § 65912.157]
- 2) Prohibits a TOD housing development project under SB 79 from being located on either of the following:

- a) A site containing more than two units where the development would require the demolition of housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power that has been occupied by tenants within the past seven years; or
- b) A site that was previously used for more than two units of housing that were demolished within seven years before the development proponent submits an application under SB 79 and any of the units were subject to any form of rent or price control through a public entity's valid exercise of its police power. (GOV § 65912.157)

FISCAL EFFECT: None.

COMMENTS:

- 1) **Author's Statement.** 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) **Bill Summary.** This bill expands the list of prohibited actions a local government cannot take to limit the application of SB 79 within the local government's jurisdiction. Specifically, this bill prohibits local governments with an existing or planned TOD stop from taking actions to interfere with a transit project's approval to avoid upzoning under SB 79. These actions include any of the following:
- a) Requesting a transit agency to 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.
 - b) 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.

- c) Withholding or withdrawing support of an application for federal 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.

This bill is sponsored by the Los Angeles Metropolitan Transportation Authority (LA Metro).

- 3) **Background.** Planning for and approving new development is mainly a local responsibility. 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 enforce this land use authority through zoning regulations, as well as through an “entitlement process” for obtaining discretionary as well as ministerial approvals.

The scale of the proposed development, as well as the existing environmental setting determine the degree of local review that occurs. For larger developments, the local entitlement process commonly requires multiple discretionary decisions regarding the subdivision of land, environmental review pursuant to CEQA, and project review by the local agency’s legislative body (city council or county board) or by a planning commission delegated by the legislative body.

- 4) **SB 79.** SB 79 established a statewide framework to increase residential density near major transit stops 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 and cities within those counties. The bill set minimum statewide standards for height, density, and residential floor area ratio based on a project’s proximity to high-quality transit and limited 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 anti-displacement 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 jurisdictions within “urban transit counties” 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 cities). The bill established 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 provided that, beginning January 1, 2027, denial of a qualifying project in a high-resource area is presumed to violate the Housing Accountability Act, subject to specified exceptions.

Within this framework, SB 79 provided local governments with the ability to craft alternative local 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 allowed 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.

Currently, SB 79 does not apply to either of the following:

- a) A site in which more than two units in the development would require the demolition of housing that is subject to any form of rent or price control that was occupied by tenants within the last seven years.
- b) A site that was previously used for more than 2 units of housing that was demolished within the last seven years, and those units were subject to price or rent control.

SB 79 allows local governments to enact and enforce standards, including inclusionary zoning requirements that do not, alone or in concert, prevent the project from achieving applicable development standards under SB 79. However, SB 79 also specifies that local government shall not adopt any requirement, including, but not limited to, increased fees or inclusionary zoning requirements, that applies to a project solely or partially on the basis that the project is seeking approval as a transit-oriented housing development.

- 5) **Related Legislation.** AB 2576 (Harabedian), of this legislative session, 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. This bill is pending in the Senate Local Government Committee.

AB 2415 (Hoover), of this legislative session, revises SB 79 to add additional historic preservation protections for TOD zones in cities that meet certain characteristics. This bill is pending in the Senate Local Government Committee.

SB 722 (Wahab), of this legislative session, amends SB 79 to exempt parcels or sites that are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act from SB 79's provisions. This bill is on the Assembly Floor.

- 6) **Arguments in Support.** LA Metro, the sponsor of the bill writes in support, "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.”

- 7) **Arguments in Opposition.** The California Contract Cities Association writes in opposition, “Last year SB 79 (Wiener, 2025) established a by-right approval process to accelerate housing development near transit stops in multiple regions across the state. Since then, numerous state and local leaders recognized the need to make adjustments to SB 79 due to various implementation issues - prompting the introduction of SB 1361.

“While SB 1361 initially focused on limiting the density requirements imposed under SB 79 around future rail transit stops, the legislation was amended to prohibit cities from requesting a transit agency reduces services at a transit stop, withholding approval of a transit project due to SB 79 density and height requirements, or withholding support from a federal grant application for transit projects. This shift in policy approach is concerning, as the new framework is grounded in an assumption that cities act as an obstacle, rather than a partner, in delivering successful transit projects. CCCA believes our member cities should be empowered to participate in planning processes for transit projects to ensure expansion plans align with the needs of local communities. By limiting cities’ authority, the bill could reduce critical coordination between local government and transit agencies and ultimately result in fewer locally-informed transit projects moving forward.”

- 8) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development, where it passed on a 9-0 vote on June 10, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA
California Yimby
Carson; City of
Greenbelt Alliance
Inner City Law Center
LA Metro
Los Angeles County Business Federation (BIZ-FED)
Los Angeles County Metropolitan Transportation Authority
Spur
State Building & Construction Trades Council of California
Streets for All

Opposition

Beachwood Drive Neighborhood Association
Beverly Hills; City of
California Contract Cities Association
City of Burbank
City of Glendora

City of LA Mirada
City of Lakewood CA
City of Norwalk
City of Pico Rivera
City of Rolling Hills Estates
City of Rosemead
City of Signal Hill
Greater Toluca Lake Neighborhood Council
Murrieta; City of
Residents for Localized Affordable Neighborhood Development (R-LAND) – *Unless Amended*
Safe Communities in Local Fire Zones
Vision Burbank

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