



THE CITY OF SAN DIEGO

## Report to the Planning Commission

DATE ISSUED: April 9, 2026 REPORT NO. PC-26-016  
HEARING DATE: April 16, 2026  
SUBJECT: SENATE BILL 79 PHASED IMPLEMENTATION AND EXEMPTING SPECIFIED AREAS

### **SUMMARY**

**Issue:** Should the Planning Commission recommend City Council approval of an ordinance to phase the implementation of Senate Bill (SB) 79 and exempt specified areas of the City from SB 79 implementation, prior to SB 79 otherwise taking effect July 1, 2026, as provided for in SB 79?

**Staff Recommendation:** Recommend to the City Council approval of an ordinance to phase the implementation of SB 79 and exempt specified areas of the city from SB 79 implementation as provided for in SB 79.

**Fiscal Impact Statement:** All decisions that relate to land use have fiscal implications for the City's long-term maintenance and operations. This action implements a required state law and exempts some areas from its application – specifically areas that are located further away from transit, in areas that can generally be more costly to provide municipal services. Additional discussion of fiscal considerations will be discussed when future actions related to implementation of SB 79 are brought to the City Council.

**Code Enforcement Impact:** None

**Housing Impact Statement:** SB 79 creates streamlined processes to make it easier to build more homes within a quarter mile and between a quarter mile and one-half mile of the City's qualifying transit stops. The bill also allows greater housing density and larger buildings in these areas and applies to sites zoned for residential, commercial, or mixed-use development.

**Community Planners Committee (CPC):** The Community Planners Committee was provided the information on the City's website including the City's approach to phased implementation, the proposed timeline for SB 79 implementation, and maps of the areas affected by the SB 79 phased implementation with exclusions.

**Environmental Impact:** This activity is not a project pursuant to CEQA Guidelines Section 15378(b)(5) as it is an organizational or administrative activity of government that will not result in any direct or

indirect physical changes in the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). This determination is predicated on CEQA Guidelines Section 15004, which provides direction to lead agencies on the appropriate timing for environmental review. This action would not result in any changes from the regulations that apply to new development today. Rather it would comply with SB 79's procedural requirements to exempt certain areas from its application and to implement SB 79 in other areas at date later than July 1, 2026. Any future discretionary actions related to implementation of SB 79 will be evaluated for compliance with CEQA. Nevertheless, if this activity is considered a project, it would be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), as this ordinance is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. For the reasons outlined above, i.e., that this action would not result in any changes to the regulations that apply to new development today, it can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment.

## **BACKGROUND**

SB 79, the Abundant and Affordable Homes Near Transit Act, was signed into law by Governor Gavin Newsom on October 10, 2025. SB 79 establishes new streamlined processes to facilitate housing production near transit-oriented development (TOD) Stops (as defined in SB 79) in the City. SB 79 requires counties and cities to approve certain housing development projects within a specified radius of existing or currently proposed major TOD Stops on sites zoned for residential, mixed, or commercial development. SB 79 will take effect on July 1, 2026, at which time the City would be required to ministerially approve development allowed under the bill. SB 79 specifically provides a process for local jurisdictions to tailor its requirements to address local conditions.

Relying on the processes set forth in SB 79, the City Planning Department proposes an ordinance (Attachment 1) to phase its implementation in a manner that allows the City to more comprehensively address fire safety, fair housing, historic resources, climate resiliency, neighborhood scale, and related considerations prior to broader implementation. Staff also proposes the exemption of areas outside of a one mile walk from TOD Stops from SB 79 application. A memorandum was sent to the City Council on February 13, 2026 that provided a comprehensive overview of SB 79 and compliance options for the City's consideration (Attachment 2). Since that memorandum was issued, the California Housing and Community Development Department (HCD) issued its [SB 79 Advisory Clarifications on Definitions for Metropolitan Planning Organizations](#) on March 20, 2026. Based off of that guidance, City Planning will issue an additional memorandum to the City Council prior to the Planning Commission hearing that summarizes the new guidance. Generally, however, using the HCD guidance, this report includes information that accounts for four additional bus rapid transit stations. It is important to note that SANDAG has not yet released its official SB 79 maps, so the identification of the TOD Zones and the analysis continues to be subject to change.

This item includes 1) identifying the City's timing for SB 79 implementation within the City, and 2) exempting areas outside of a one mile walk from SB 79 implementation in the City.

## DISCUSSION

SB 79 establishes a statewide minimum zoning capacity within one-half mile of a TOD Stop. Specifically, SB 79 provides building height, floor area ratio, and density standards for multi-family home developments on parcels located within one-quarter mile and between one-quarter and one-half mile of qualifying TOD Stops. SB 79 requires local governments to allow specified levels of multifamily residential development in these areas and limits the extent to which local zoning or development standards may reduce the required capacity. SB 79 applies regardless of existing land use regulations or community plan boundaries and operates alongside other state housing laws. SB 79 density standards applicable to would take effect on July 1, 2026, unless the City Council takes certain actions.

SB 79 authorizes the City to phase the implementation of SB 79 through the adoption of an ordinance. Phasing the implementation would allow the City more adequate time to address various issues, such as fire safety, historic preservation, fair housing, and other planning considerations through development and subsequent adoption of a TOD Alternative Plan that would allow the redistribution of housing capacity. An ordinance to phase the implementation of SB 79 or adopt a TOD Alternative Plan is required by Government Code Section 65912.161 to be submitted to the HCD for its review and comment.

Additional information on SB 79, its requirements, and the options for implementation are generally outlined in the February 13, 2026, memorandum to the City Council (Attachment 2) and pertain to the following Government Code Sections:

- Government Code Section 65912.160(e)(1) permits the City to exempt areas within one-half mile of a TOD Stop from SB 79 if it makes findings, supported by substantial evidence, that no walking path under one mile connects a site to a TOD Stop. This provision ensures that approved development has adequate pedestrian access to a TOD Stop, accounting for canyons, highways, and other physical barriers. Including areas with a walking path to transit that exceeds one mile would not result in *transit-oriented* development, which is why they are proposed to be excluded since they are inconsistent with the intent of SB 79 as well as the City's General Plan. These areas are shown on Attachment 3.
- Government Code Section 65912.161(b)(1)(B)(iii) permits phased implementation of SB 79 in Low Resource Opportunity Areas identified by the California Tax Credit Allocation Committee (CTCAC) until one year after adoption of the seventh Housing Element. This section only applies to cities that cumulatively allow for at least 50 percent of the total home capacity required under SB 79. Table 1 below shows the City's estimated home capacity required under SB 79 around all TOD Stops, its estimated home capacity allowed by current zoning, and the additional home capacity above the City's current zoning required by SB 79. Within the City's TOD Zones, the City already has capacity for approximately 494,000<sup>1</sup> homes which

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<sup>1</sup> Based on the information available to the City Planning Department when it issued its February 13, 2026 memorandum to the City Council, the current TOD Zone capacity was estimated at approximately 461,200 homes, or 60 percent of the 771,600 required home capacity. Based on the March 20, 2026 HCD guidance, these numbers have been updated to account for four additional bus rapid transit stations. SANDAG has not yet released its official SB 79 maps, so these numbers still remain subject to additional change.

represents approximately 57 percent of the 861,000-home capacity required under SB 79. This means the City is eligible for phased implementation of Low Resource Opportunity Areas under Section 65912.161(b)(1)(B)(iii). The affected Low Resource Opportunity Areas are shown in Attachment 4.

**Table 1 - SB 79 Required Zoning Capacity in City of San Diego TOD Zones**

	Estimated Home Capacity
SB 79 Required Home Capacity	861,000
Existing Base Zone Home Capacity	494,000
Additional SB 79 Home Capacity Required	<b>367,000<sup>2</sup></b>

The City's Housing Element revision will be due on June 15, 2031. Opting to implement SB 79 to facilitate market rate and affordable homes first in Highest, High, and Moderate Resource Areas would better support the City's efforts to affirmatively furthering fair housing.

- Government Code section 65912.161(b)(1)(F) permits phased implementation of SB 79 on sites containing historic resources designated as of January 1, 2025, until one year after adoption of the seventh revision of the City's General Plan Housing Element. This provision allows the City to ensure that development under the bill aligns with the City's historic resource regulations, which are also currently being updated. The affected sites containing historic resources designated as of January 1, 2025 are shown in Attachment 5.
- Government Code Section 65912.161(b)(1)(D) permits phased implementation of SB 79 for sites within a Very High Fire Hazard Severity Zone until one year after adoption of the seventh Housing Element. Implementing the bill first outside these areas allows the City to evaluate sites with limited evacuation access and address public safety considerations consistent with the City's General Plan and SB 99. The affected Very High Fire Hazard Severity Zones are shown in Attachment 6.
- Government Code Section 65912.161(b)(1)(E) permits phased implementation of SB 79 for sites identified as vulnerable to one foot of sea level rise until one year after adoption of the seventh Housing Element. Phasing implementation outside these areas allows the City to evaluate consistency with its Climate Resilient SD Plan. The affected sites identified as vulnerable to one foot of sea level rise are shown in Attachment 7.

*Proposed Ordinance to Phase the Implementation of SB 79 and Exempt Certain Areas Located More than One Mile Walking Distance from a TOD Stop*

In addition to phasing the implementation of SB 79, the ordinance would also exclude areas that do not have a walking path of less than one mile from a TOD Stop including areas missing public

<sup>2</sup> This number is subject to change as the City Planning Department calculates the inclusion of its local density bonus programs and the exclusion of areas that do not have a one-mile walking path to a TOD Stop, and is anticipated to be lower than this identified number.

sidewalks and barriers such as canyons and freeways. These areas were measured using a one-mile walking path distance along an existing public sidewalk and calculated using Geographic Information Systems (GIS) analysis to determine the walking distance. This is consistent with the City's methodology for determining a one-mile walking distance from a major transit stop using sidewalks for the City's Sustainable Development Areas.

This ordinance would not amend any regulations in the existing Land Development Code; rather, it would state the Council's decision to exclude areas beyond a one-mile walking distance from SB 79 applicability, and to phase implementation of the other identified areas until a later date in time (either with the Housing Element Cycle, or until a TOD Alternative Plan is in effect).

The phased implementation of SB 79 would occur at two separate times. To ensure the process takes effect in Moderate, High, and Highest Resource Areas first, the ordinance would not implement SB 79 in Low Resource Areas until at least 2031 as part of the adoption of the City's next Housing Element. The ordinance would phase the implementation of sites in Moderate, High and Highest Resource Areas that contain designated historic resources, are within a Very High Fire Hazard Severity Zone, or identified as vulnerable to one foot of sea level rise, until the City has adopted and HCD has approved a TOD Alternative Plan. The adoption of a TOD Alternative Plan provides an opportunity for the City to comprehensively address local issues such as fire safety, fair housing, historic resources, climate resiliency, neighborhood scale, and related considerations prior to broader implementation.

Even with the adoption of this proposed ordinance, SB 79 will take effect on July 1, 2026 in certain areas that are not eligible for phased implementation. This includes areas that are in Moderate, High, and Highest Resource Areas, are outside of Very High Fire Severity Zones, are not subject to one foot of sea level rise, and do not have a designated historic resource. These areas are anticipated to encompass approximately 22 percent of the otherwise applicable SB 79 TOD Zones (Attachment 8).

#### *Next Steps*

The City Planning Department plans to present this ordinance to the City Council for adoption in May 2026. As required by Government Code Section 65912.160, the City will submit the draft ordinance to HCD 14 days prior to its adoption, and upon its adoption, City Planning Department will submit the ordinance to HCD for its review. If HCD submits comments on the ordinance, the City is required by Government Code Section 65912.160(d)(5) to either amend the ordinance to address HCD's comments or prepare a resolution explaining why the City's ordinance is consistent with SB 79 without amendments. If HCD does not provide comments on the ordinance within 90 or 120 days, no additional action would be needed. However, the ordinance would become effective 30 days after its final passage regardless of the HCD approval process.

The City Planning Department also plans to prepare a TOD Alternative Plan to implement SB 79, including potential amendments to the Municipal Code, zoning, community plans, and the General Plan. The TOD Alternative Plan would be provided for public review and comment before being submitted for consideration to the Planning Commission, Land Use and Housing Committee, and

the City Council. The Department anticipates that it could bring this item forward later this year.

Conclusion

As provided for in SB 79, the proposed ordinance would phase SB 79 implementation in specified areas of the City, exempt other areas of the city from SB 79 implementation and allow the City to address fire safety, fair housing, historic resources, climate resiliency, development scale and other issues in a TOD Alternative Plan. Without an adopted ordinance, the City will be required to implement SB 79 on July 1, 2026, and will not be able to shift home capacity required under the bill to address issues like fire safety, ensuring new homes are resilient to climate change, the need for equitable distribution of housing throughout the City, protection of historic resources, neighborhood scale, and related considerations. Areas that are required to take effect beginning July 1, 2026 under SB 79 would be unaffected by this action.

Respectfully submitted,



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Attachments:

1. Draft Ordinance
2. Senate Bill 79 Overview and Compliance Options Memo
3. SB 79 Areas Beyond One Mile Walking Distance
4. SB 79 Low Resource Areas
5. SB 79 Historically-Designated Resources
6. SB 79 Very High Fire Severity Zones
7. SB 79 Sea Level Rise
8. SB 79 Areas That Will Take Effect Under SB 79 on July 1, 2026