C P & D R

Home · Subscribe | Categories | Free Newsletter | Advertise

About | Contact

California Planning & Development Report

All Posts   Insight   News Briefs   Reports   Podcast   Articles

William Fulton · 2 days ago · 4 min read

SB 79 Cleanup Leads 2026 Legislative Agenda

A revision to SB 79 that could expand its reach appears to be barreling through the Legislature quickly right now. Beyond that, the 2026 legislative session doesn't appear to be shaping up to be as dramatic as 2025 – with one possible exception.

The exception is the so-called Building an Affordable California Act, or BACA – the proposed ballot initiative put forth by the California Chamber of Commerce that would make significant changes to the California Environmental Quality Act. The Chamber will likely move forward with the initiative – unless business interests are mostly concerned with using it to gain leverage for changes to CEQA in the legislative session.

On the question of entitlement reform – which has been a primary focus of the legislature for a decade – it would appear the Legislature is pivoting way from entitlements and toward other aspects of homebuilding, especially how the cost of construction is driving up the price of housing. If that's the case, then last year's SB 79 may be the last big entitlement gasp in the legislature's attempts to streamline housing approvals.

CEQA

2025 was a big year for CEQA because of the two budget trailer bills – AB 130 and SB 131 – that created significant exemptions. This battle this year appears to be between the Chamber, which is putting forth its initiative, and a coalition of environmental and environmental justice groups, which are seeking to narrow the exemptions and reversed the move toward a streamlined administrative record, both of which were contained in SB 131.

The Chamber's initiative would create a separate CEQA track for projects categorized as "essential" – especially housing, water systems, and clean energy infrastructure. Essential projects would be subject to a variety of shot clocks, especially in judicial review. The initiative would also limit the number of alternatives required to be analyzed. (See previous *CP&DR* coverage <u>here</u>). As stated above, it remains to be seen whether the Chamber will push the initiative forward or simply try to achieve its goals in the Legislature.

Meanwhile, on the opposite end of the spectrum, AB 1083, carried by North Bay Assemblymember Damon Connolly, seeks to narrow, blunt, and undo various aspects of SB 131, one of the two CEQA-related trailer bills that passed without much review last summer. In particular, AB 1083 would focus on two areas that limit the CEQA exemption for "advanced manufacturing" to the semi-conductor industry and still subject those projects to some restrictions regarding environmental hazards. This was a major concern of environmental justice groups last summer.

In addition, AB 1803 would expand the definition of "natural and protected lands" that would constitute an exception from the CEQA exemption. This was a major concern of environmental groups last summer. The new definition would include lands that are designated for conservation under natural communities conservation plans or habitat conservation plans, as well as habitat for species listed under the state Endangered Species Act and other state laws.

Housing

SB 677, by Sen. Scott Wiener, which passed the Senate in January and is now in the Assembly, would clarify SB 79 by including Amtrak service as well as commuter rail service in the number of trains per day required for SB 79 to kick in.

Passed last year, SB 79 requires midrise zoning around major transit stations in urban counties, though cities are allowed to move the required density around in the vicinity of the station. But at least 48 trains per day are required for a station to qualify. SB 677 could affect the application of SB 79 in Southern California, where Amtrak runs 13 trains per day each way on the Pacific Surfliner corridor.

Solana Beach, which is served by the Coaster commuter service, argued that SB 79 did not apply to its station, saying that Amtrak service should not be included in the calculation. If SB 677 is adopted, Solana Beach would probably be included, as well as Orange County Metrolink stations that also have Amtrak service.

The California State Association of Counties has argued that it is not clear which urban counties SB 79 applies to and has further argued that SB 677 does not clarify the question.

Although SB 79 was the "big win" for the YIMBY movement last year, it's not likely that another huge YIMBY bill will pass this year. Nevertheless, several significant bills are pending.

Two of the bills are carried by Assemblymember Matt Haney of San Francisco, chair of the Assembly Housing Committee. AB 1294 would require a standardized housing application statewide and place some limits on preapplication requirements. AB 2074, which would apply cities over 400,000 population, would be a kind of follow-on to SB 79. It would require those cities to identify transit centers of regional significance, require ministerial approval of some projects in those areas, and create a state revolving loan fund for projects in those areas.

Meanwhile, Senator Ben Allen of Santa Monica, chair of the Senate Environmental Quality Committee, may seek to move his SB 815, which was introduced in the wake of the Los Angeles wildfires a year ago. The bill – which may require action to stay alive – would require cities and counties to incorporate wildfire preparedness and planning into their general plans.

Other bills of interest include SB 1036, which would seek to reduce impact fees on properties being redeveloped by requiring "impact fee credits" that take into account a parcel's prior use; SB 1117, which would allow fees on accessory dwelling units (ADUs) only if the ADU exceeds 750 square feet; and AB 1740, which would allow some cities to destinate themselves as an "urban multimodal community" and thus end-run the Coastal Commission for some projects.

Articles

CP&DR

California Planning &
Development Report

Home | Subscribe | Categories ⌄ | Free Newsletter | Advertise | About ⌄ | Contact