

# Senate Bill 79, Statewide Standards for Transit-Oriented Development Report and Implementation

---

## **City Council**

January 27, 2026

Item 8.1

Chris Burton, Director, Planning, Code and Building Enforcement

Jerad Ferguson, Principal Planner, Planning, Code and Building Enforcement



*Planning, Building and  
Code Enforcement*

# Background

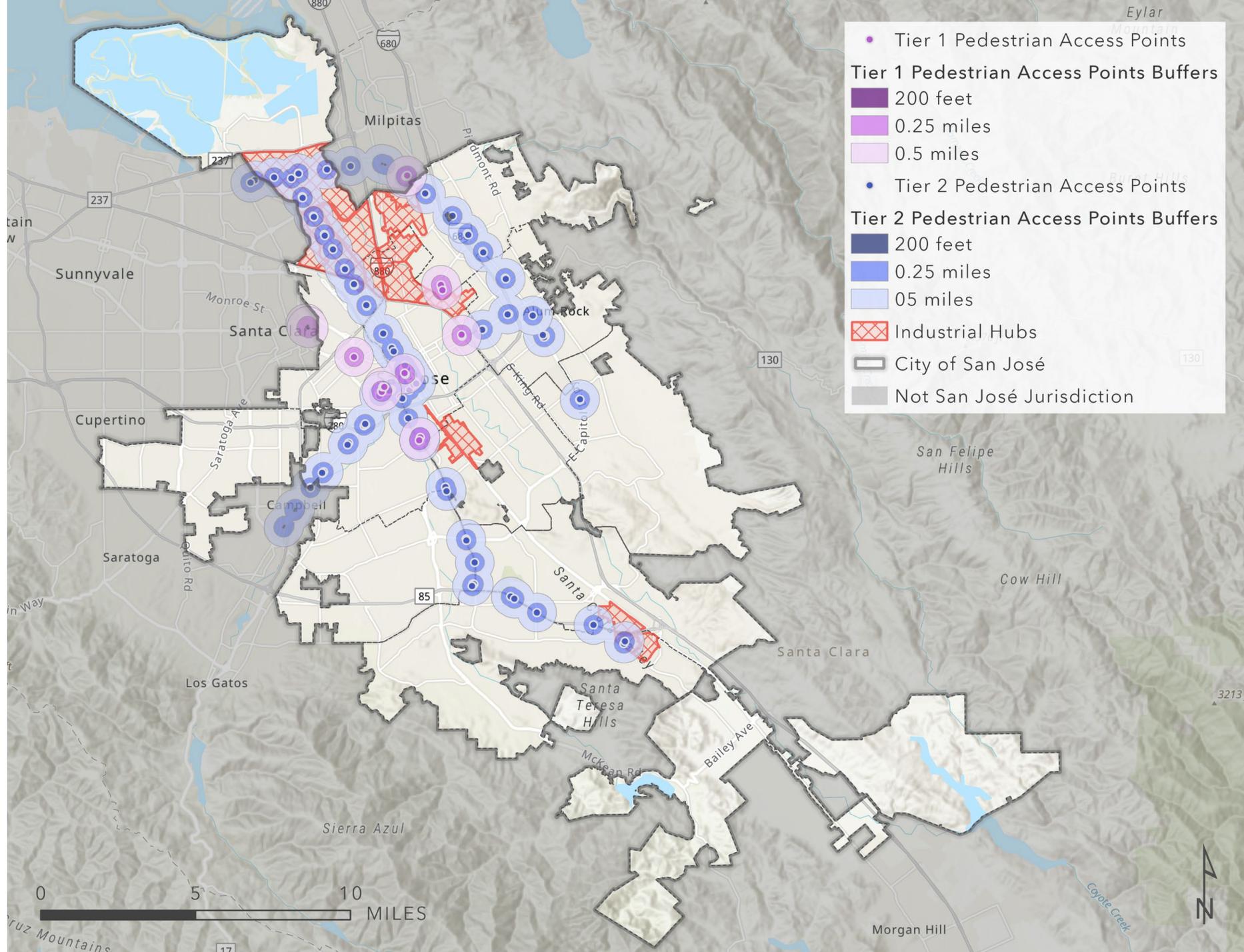
---

- Signed October 10, 2025 – takes effect July 1, 2026
- Supersedes local zoning and allows residential on all sites that currently allow residential and commercial uses within ½-mile radius of “transit-oriented development (TOD) stops”
  - All zoning districts except light industrial, heavy industrial, agriculture, and open space
  - 56 stations in or adjacent to City = ~40,152 parcels
- ½ mile measured from “pedestrian access points”
- Applies in urban counties (Bay Area = Santa Clara, Alameda, San Mateo and San Francisco)

# TOD Stop Tiers

TOD Stop Tier	Transit Type	Applicability in San José	Number of Current or Future Stations in/adjacent to San José
<b>Tier 1</b>	<ul style="list-style-type: none"> <li>• Heavy Rail Transit</li> <li>• Very-High Frequency Commuter Rail (72 trains per day)</li> </ul>	<ul style="list-style-type: none"> <li>• Caltrain (electrified)</li> <li>• BART</li> <li>• Planned BART</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Caltrain</li> <li>• 6 BART</li> </ul> <p><i>10 total stations</i></p>
<b>Tier 2</b>	<ul style="list-style-type: none"> <li>• Light Rail</li> <li>• High Frequency Commuter Rail (48 trains per day)</li> <li>• Bus Rapid Transit with dedicated land</li> </ul>	<ul style="list-style-type: none"> <li>• VTA light rail</li> <li>• Bus Rapid Transit with dedicated lane</li> </ul>	<ul style="list-style-type: none"> <li>• 44 VTA light rail</li> <li>• 2 Bus Rapid Transit</li> </ul> <p><i>46 total stations</i></p>

# Citywide SB 79 TOD Stations *(draft map)*



# Development Standards

Distance	Tier 1	Tier 2
<b>Adjacent to TOD Stop</b> <i>(within 200 feet of pedestrian access point)</i>	<ul style="list-style-type: none"> <li>• Height: 95 feet</li> <li>• Density: 160 DU/AC</li> <li>• Residential FAR: 4.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 85 feet</li> <li>• Density: 140 DU/AC</li> <li>• Residential FAR: 4.0</li> </ul>
<b>¼-mile from TOD stop</b>	<ul style="list-style-type: none"> <li>• Height: 75 feet</li> <li>• Density: 120 DU/AC</li> <li>• Residential FAR: 3.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>
<b>½-mile from TOD stop</b>	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 55 feet</li> <li>• Density: 80 DU/AC</li> <li>• Residential FAR: 2.5</li> </ul>

# Other Provisions

---

- **Affordability and Demolition**
  - Onsite affordable units required in projects with 11 or more units
  - Cannot use on sites with 3+ rent or price-controlled units
- **State Density Bonus Law** – eligible except for increased height
- **Transit Agency TOD Projects**
  - Agency sets development standards for sites owned prior to July 1, 2025
- **Approval Pathway**
  - Site Development Permit – approved at Director’s Hearing
  - Eligible for SB 35/SB 423 streamlining
  - Eligible for CEQA exemptions including AB 130 and SB 131

# Implementation Options

---

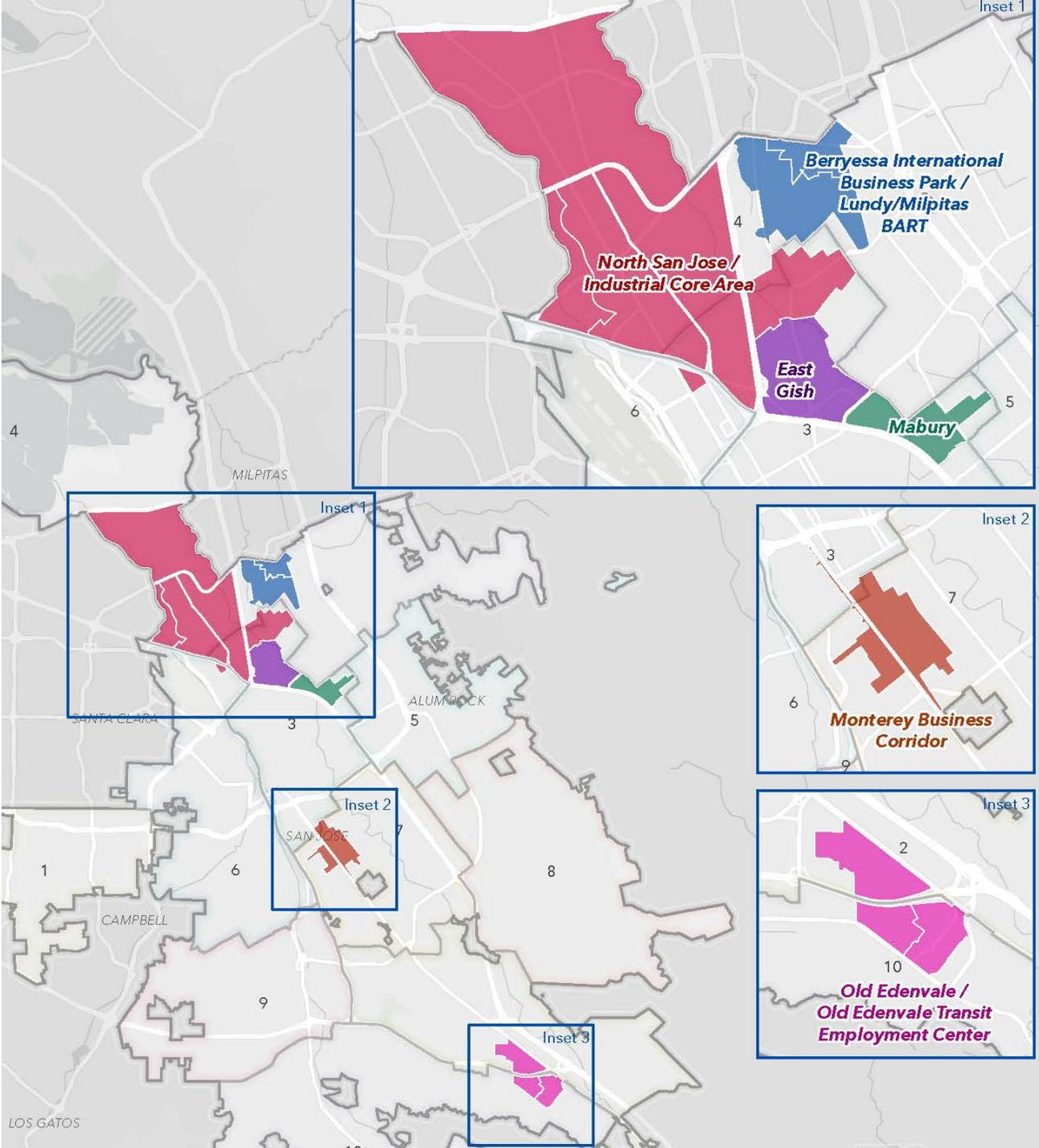
- 1. Permanent Exemptions**
- 2. “Delayed Effectuation”** – *delays effects of SB 79 until one-year following next Housing Element (2032)*
- 3. TOD Alternative Plan “Alt Plan”** – *Permanent modification of SB 79*

# 1. Permanent Exemptions

- ***“Industrial Employment Hubs”***
  - Contiguous area of at least 250 acres designed as employment land in General Plan prior to January 1, 2025.
  - Primarily dedicated to industrial use
  - Must “opt-in” through ordinance approved by HCD

Name of Employment Lands Area	Size in Areas
Berryessa International Business Park/Lundy/Milpitas BART	663
North San José / Industrial Core Area	4,169
Monterey Business Corridor	453
Old Edenvale / Old Edenvale Transit Employment Center	612
East Gish	495
Mabury	290

# Proposed Industrial Employment Hubs



# 1. Permanent Exemptions

---

- ***No One-Mile Walking Path***
  - Sites where no walking path of less than one mile to the TOP stop exists
  - Must “opt-in” through ordinance approved by HCD
  - Estimate over 2,000 parcels in San José could be eligible
  - Need to conduct further analysis of sites and situation
  - Need further guidance on methodology for measuring and defining walking path

# 1. Permanent Exemptions

---

- ***“Industrial Employment Hubs”***
  - Contiguous area of at least 250 acres designed as employment land in General Plan prior to January 1, 2025.
  - Must “opt-in” through ordinance approved by HCD

# 2. Delayed Effectuation

---

- **Allows temporary exemptions of individual sites, TOD Zones/Stations, or low-resource areas**
- **Must “opt-in” through ordinance approved by HCD**
- **TOD zone–level exemption** (must meet all):
  - At least 1/3 of sites allow at least 50% of SB 79 density
  - TOD zone cumulatively allows greater than 75% of SB 79 average density
- **Site-level exemption** (any):
  - Site allows more than 50% of SB 79 density
  - Located in: Very High Severity Zone, or vulnerable to 1 ft sea level rise
  - Contains locally designated historic resources (pre-1/1/2025)
- **Low-resource area exemption** (TCAC maps) (either one):
  - Citywide level: TOD zones in low-resource areas allow greater than 50% of SB 79 density
  - At station level: TOD Zone must be primarily in low-resource area and allow greater than 40% of SB 79 density

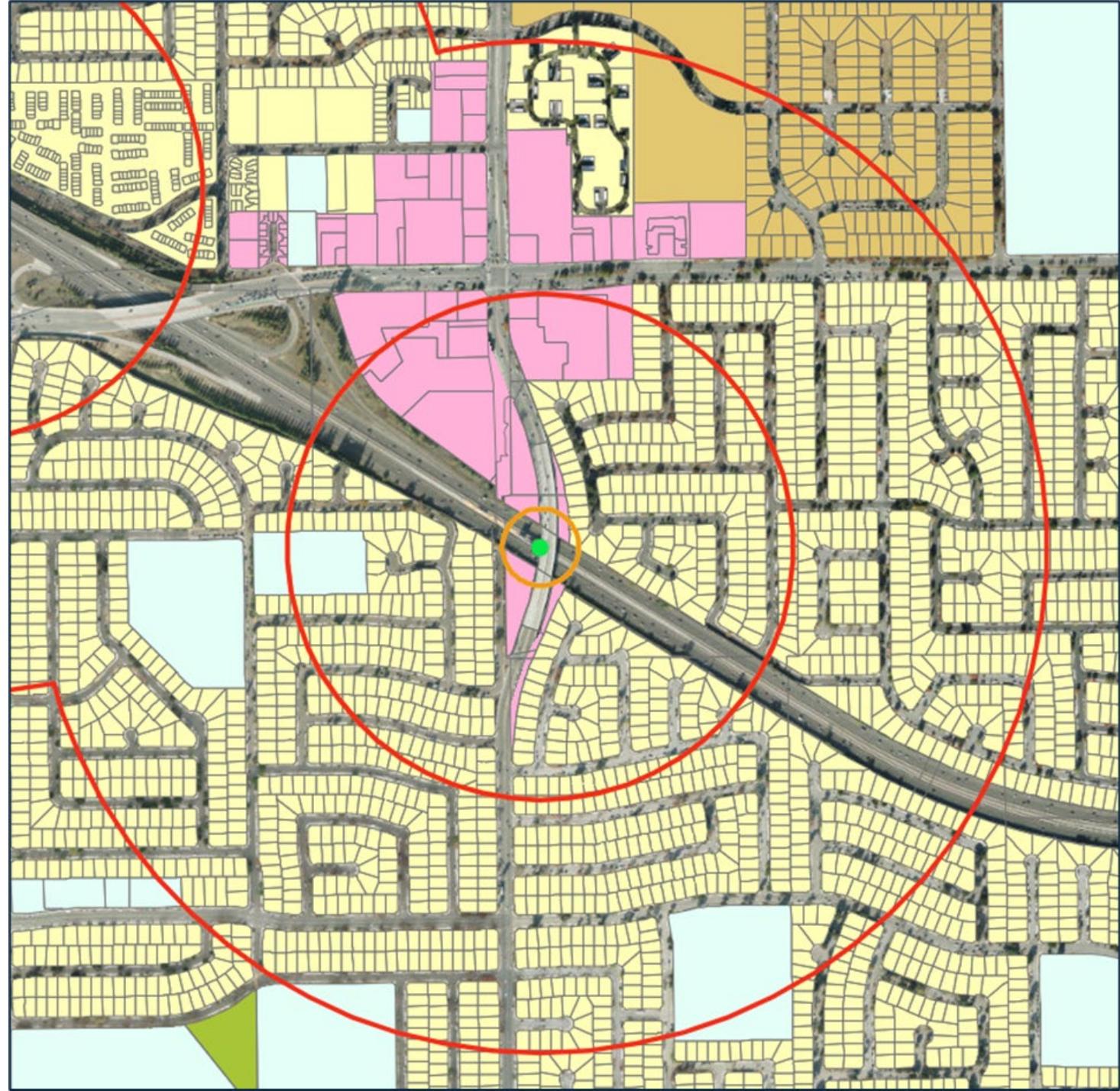
## 2. Delayed Effectuation *San José Analysis*

---

- Three station areas meant to be representative sample; high, medium, small
- Berryessa BART, Tamien Station Area, and Snell Light Rail Station Area

<b>TOD Station</b>	<b>75% of allowed density under SB 79</b>	<b>% of sites allowing 50% of SB 79 density</b>
<b>Berryessa BART Station</b> (Tier 1)	✓	✗
<b>Tamien Station</b> (Tier 1)	✗	✗
<b>Snell Station</b> (Tier 2)	✗	✗

## 2. Delayed Effectuation - *Snell Station* Area Map



# 3. TOD Alternative Plan “Alt Plan”

---

- Allows cities to **modify or exempt** SB 79 standards on certain sites or areas
- May apply **per TOD stop, multiple stops, or citywide**
- May adopt at any time. Must be re-evaluated in the next Housing Element cycle
- Alt Plans must be **submitted to and approved by HCD**

## Alt Plan requirements:

- At citywide level must maintain **equal or greater net zoned capacity** must account for existing developed units and FAR
- At site-level it cannot reduce SB 79 density by **more than 50% or increase more than 200%** on a individual site, except for:
  - Very High Fire Severity Zones
  - Sea level rise risk (1 ft)
  - Historic sites
- At station level cannot reduce any TOD station by **more than 50%**

# Industrial Employment Hubs Timeline

## Review Timeline Defined in SB 79:

- At least 14 days before Council adoption of an ordinance – submit draft to HCD
- Within 60 days of enactment – submit copy to HCD
- Within 90 days – HCD reviews ordinance for substantial compliance.
  - HCD may request additional 30 days to make findings

Employment Hub Ordinance Timeline	
Monday, March 2, 2026	DRAFT Referral to HCD (14 days before adoption)
Wednesday, March 11, 2026	Planning Commission hearing
Tuesday, March 17, 2026	City Council Hearing ( <i>Adoption</i> )
Tuesday, March 24, 2026	City Council second reading
Thursday, April 23, 2026	Ordinance Effective and Referral to HCD ( <i>Enactment</i> )
Wednesday, July 1, 2026	SB 79 Effective Date

# Recommendations

---

- a) Accept the report on Senate Bill 79, including a summary of its provisions, an initial San José specific analysis, and options for implementation.
- b) Direct staff to return to City Council in March 2026 with a draft ordinance designating qualifying industrial areas identified in the General Plan as Employment Areas as “industrial employment hubs” and exempting nonresidential sites within those areas from the provisions of Senate Bill 79.
- c) Direct staff to return to City Council with an ordinance exempting sites where there is no walking path less than one-mile from the location of transit-oriented development after further analysis of those sites is completed.
- d) Direct staff to return to City Council with an ordinance temporarily exempting designated historic resources contained in the San José Historic Resources Inventory

# Senate Bill 79, Statewide Standards for Transit-Oriented Development Report and Implementation

---

## **City Council**

January 27, 2026

Item 8.1

Chris Burton, Director, PBCE

Jerad Ferguson, Principal Planner, PBCE



*Planning, Building and  
Code Enforcement*