

Public Guidance: New State Rules for Development Near Transit (Senate Bill 79)

Effective July 1, 2026, California [Senate Bill 79 \(Chapter 512, Statutes of 2025\)](#) will change how cities regulate new housing and mixed-use development near public transit stops. These new state standards apply across California and will affect how the City of San Mateo plans and reviews projects close to transit.

Overview

SB 79 establishes statewide minimum standards for building height, housing density, and floor area near transit-oriented development (TOD) areas — generally within ½ mile of major transit stops such as Caltrain stations and high-frequency bus routes.

Key Development Standards

- **By Right Allowance:** Residential and mixed-use buildings are now considered an allowable use within a ½ mile radius of a qualifying transit stop.
 - Projects that meet state standards will be approved “by-right” per state law, meaning cities cannot deny or reduce them through local hearings or zoning discretion.
 - Transit agencies will be authorized to plan high-density housing on their own properties without requiring local approval or public participation under state law.
- **Building Heights and Density:**
 - **¼ mile from a stop:** Up to 75 ft tall and 120 units/acre (Tier 1 areas served by heavy rail like Caltrain).
 - **½ mile from a stop:** Up to 65 ft tall and 100 units/acre.
 - Additional 20 ft height and 40 units/acre bonus for parcels directly adjacent to the transit stop.
- **Minimum affordability requirements** for projects over 10 units:
 - 7% extremely low-income, or
 - 10% very low-income, or
 - 13% low-income housing units.

Local Authority and Alternatives

Cities can adopt local TOD ordinances or alternative plans that adjust these standards, as long as they maintain equivalent housing capacity under no net loss provisions of the Housing Crisis Act of 2019 and receive approval from the state Department of Housing and Community Development (HCD). The City of San Mateo is evaluating options to align its local transit-oriented development plan with state requirements under SB 79 while protecting neighborhood character, affordability goals, and safety standards.

Labor, Safety, and Environmental Standards

- Projects taller than 85 feet must meet prevailing wage and apprenticeship requirements.
- All projects must comply with fire, building, and environmental safety codes, including protections against wildfire and sea-level rise risks.

Transit Agency Roles

Transit agencies (such as Caltrain or SamTrans) may adopt their own development standards for agency-owned property near stations. Those projects must still dedicate at least 20% of housing units to lower-income households.

The State has granted transit agencies new authority to develop high-density housing on property they own. While the City has and will maintain positive working relationships with our transit agencies, this new land use authority granted to transit agencies is a major shift in statewide policy. While there was a measure passed in 2018 (AB 2923 (Chui, 2018)) which gave BART authority to develop high-density housing on its land—SB 79 applies to all local transit agencies where the measure is applicable.

Enforcement

Local governments that deny compliant projects in High Resource Areas could face fines of \$10,000 per unit, unless a denial is based on health or safety concerns.

Projected SB 79 Eligible Transit Stops

SB 79 Eligible Stops and Areas

