The Abundant and Affordable Homes Near Transit Act: How California's New Housing Law Rewrites Zoning Authority

California's 2026 housing reforms reshape zoning, CEQA and local control. Here's what land use and real estate attorneys should know and how to help clients prepare.

When Gov. Gavin Newsom signed the **Abundant and Affordable Homes Near Transit Act (SB 79)** on Oct. 10, he ushered in one of the most consequential shifts in California land use law in decades. The legislation is part of a broader strategy to push housing production into transit-rich corridors and reduce the layers of local discretion that have long slowed or stalled new development. For lawyers who represent cities, developers and regional agencies, SB 79 marks a decisive move from encouraging local compliance to mandating it.

California's housing shortage — estimated at more than three million units — has steadily eroded affordability and strained local governments. Earlier reforms, such as **SB 35 (2017)** and **SB 9 (2021)**, attempted to streamline approvals, but each left room for local interpretation. SB 79 eliminates much of that ambiguity, converting the state's policy goals into binding law. Its companion measures expand the reach of the California Department of Housing and Community Development (HCD) and the Attorney General's Housing Strike Force, creating a new enforcement dynamic that attorneys will need to navigate carefully.

The policy backdrop

By 2025, lawmakers had grown frustrated that incremental change was not producing the volume of new housing the state's population demanded. The Governor's Office of Planning and Research (OPR) and HCD proposed a framework that would replace local zoning restrictions near transit with uniform state standards. The theory was simple: if California is to meet its climate and affordability targets, high-density housing must rise where car use is lowest.

The resulting statute — SB 79 — draws on years of legislative evolution. It builds directly on **SB 743 (2013)**, which introduced vehicle-miles-traveled metrics into CEQA, and on SB 35, which allowed ministerial approval of certain projects. But this time, compliance is not optional. As Newsom noted when he announced the bill's signing, "All Californians deserve an affordable place to live — close to jobs, schools and opportunity. Housing near transit means shorter commutes, lower costs and more time with family."

Local preemption and zoning reform

At the core of the law is a direct limit on local authority. Cities and counties may no longer downzone or deny qualifying multifamily or mixed-use projects located within roughly half a mile of a major transit stop or high-frequency bus corridor. Projects that meet the statute's objective criteria for affordability, height and parking are entitled to by-right, ministerial approval. Hearings and conditional-use permits that once gave neighbors leverage to slow development are now preempted by state law.

Each jurisdiction must revise its general plan and zoning ordinances by July 1, 2026, to align with the new requirements. Noncompliant cities risk investigation by HCD's Accountability and Enforcement Unit and potential litigation by the attorney general. For municipal attorneys, this means immediate coordination between planning staff, outside counsel and state agencies to ensure local codes are defensible. Ordinances that contradict SB 79 will simply not be enforceable.

CEQA streamlining and ministerial review

Equally transformative is SB 79's treatment of CEQA. Projects that qualify for ministerial approval are exempt under **Public Resources Code § 21080(b)(1)**. In practice, this eliminates the lengthy environmental impact reports that have often delayed infill projects for years. Unless a proposal presents "extraordinary circumstances," environmental review will no longer stand as a barrier to building housing near transit.

For attorneys who have spent years guiding clients through CEQA's procedural maze, this change demands a new approach. Advising developers will now involve confirming eligibility for the exemption rather than navigating mitigation measures or administrative record disputes. Municipal lawyers, meanwhile, will need to retrain staff accustomed to relying on CEQA findings as a form of risk management.

Mapping the new "transit-rich" landscape

Implementation depends on data. SB 79 directs the OPR, working with HCD, to publish official maps defining "transit-rich" and "low-vehicle-travel" areas. These designations are binding once certified and will be updated annually. The process borrows from the methodology established under SB 743, which emphasized vehicle-miles-traveled reduction rather than traffic congestion.

Because the mapping will determine where state law preempts local discretion, practitioners should monitor OPR's updates closely. A parcel's inclusion or exclusion could decide whether a project qualifies for ministerial approval or remains subject to full CEQA review. Attorneys representing developers may wish to coordinate early with planning consultants to evaluate how the new maps intersect with existing projects in the entitlement pipeline.

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Enforcement and emerging litigation

The legislature gave HCD unprecedented authority to enforce housing law compliance. The department can investigate local decisions, issue corrective orders and impose monetary penalties of up to $10,000 per unit for unlawful denials. Repeat offenders may be referred to the attorney general for injunctive relief. In addition, SB 79 creates a private right of action for developers to challenge rejections or delays of qualifying projects.

Together, these provisions set the stage for a new wave of litigation. City attorneys can expect early test cases probing the boundaries of state preemption and the constitutionality of delegating zoning power upward. Plaintiffs' counsel may challenge the sufficiency of CEQA exemptions, while defense counsel will need to defend the state's data-driven approach. The first decisions interpreting SB 79 will likely shape California housing law for the next decade.

Implementation challenges

Even as the statute seeks to accelerate construction, its success will depend on infrastructure and equity considerations. Many cities face genuine constraints — including aging water systems, limited sewer capacity or inadequate transit funding — that may complicate compliance. Housing equity advocates have also expressed concern that rapid up-zoning near transit could increase displacement pressures in lower-income neighborhoods.

Attorneys advising both public and private clients will need to balance the mandate to build with the obligation to mitigate community impacts. Negotiating development agreements, inclusionary-housing terms or relocation assistance will remain critical tools for managing that tension. Coordination among land use, environmental and municipal lawyers will be essential as the first implementation deadlines approach.

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Preparing clients for 2026

For most practitioners, the immediate task is alignment. Local governments should begin revising general plans and zoning codes now, rather than waiting for HCD's enforcement clock to start. City attorneys can help by drafting interim resolutions or urgency ordinances that acknowledge the state mandate while formal amendments are in progress.

Private-sector counsel should evaluate which projects in their clients' portfolios may newly qualify for by-right approval. In some cases, CEQA work already in progress can be paused or scaled back; in others, the exemption may streamline appeals still pending before local boards. Attorneys representing lenders or investors should revisit project timelines and risk disclosures to account for the accelerated approval environment.

The coming year will determine how effectively California can reconcile its ambitious housing targets with its environmental and infrastructure realities. Expect lawsuits testing the reach of SB 79's preemption, along with rulemaking from HCD and OPR to clarify technical standards. Parallel efforts in the legislature may extend similar streamlining to commercial-to-residential conversions and adaptive reuse.

For attorneys, this is less a single statute to memorize than a shift in practice culture. The center of gravity in land use law is moving from city hall to Sacramento. Those who understand both the policy intent and the procedural mechanics of SB 79 will be best positioned to guide clients through the transition.

A new era of housing reform

California's Abundant and Affordable Homes Near Transit Act could transform housing production in the state. It replaces local discretion with state-mandated uniformity, trades CEQA litigation for ministerial review and empowers regulators to enforce compliance aggressively. Lawyers must now ensure that cities, developers and investors adapt to the new rules without stumbling into preventable violations.

The reforms aim to make housing approval predictable where it was once political. Whether that predictability produces the volume of new homes California needs will depend, in large part, on how effectively attorneys help their clients navigate this new terrain.