

June 24, 2025

Speaker Robert Rivas California State Assemblymembers

Subject: Opposition to SB 79 (Wiener)

Dear Assemblymembers,

Neighbors For A Better San Diego (NFABSD) strongly opposes SB 79 (Wiener) for the reasons stated below. As noted, some of NFABSD's objections arise from the specific conditions of San Diego, while others apply to all California cities and counties.

#### Objections to SB 79

- SB 79 undermines and conflicts with local planning efforts, which are much more precise in identifying and zoning areas for pedestrian and transit-oriented development. San Diego, like other California cities, is ahead of production goals for market rate housing and has zoned for nearly three times as much housing (Adequate Sites) primarily along transit corridors as it needs to meet its RHNA goals. The chaos that will be created by SB 79 shouldn't be imposed on cities that are creating opportunities for sufficient new housing based on a state-certified Housing Element.
- SB 79 is fundamentally flawed because it doesn't clearly specify that the method of measuring distance is walking distance along a public pedestrian path of travel. NFABSD has extensively documented that a one-half mile radial distance can result in walking distances of 2 miles or more to get around freeways and natural barriers. This reinforces automobile dependence instead of promoting transit-oriented development.
- SB 79 bases transit stops on future transit plans that may never happen. The bill defines "transit-oriented development stops" (TOD stops) based on Section 21155 of the Public Resources Code, which includes all transit stops envisioned in any regional transportation plan (RTP). Because RTPs in California forecast transit projects out to 2050 or 2060, SB 79 would allow housing to be built based on transit that won't be available for 25 years (or possibly never), instead of encouraging higher density residential development immediately adjacent to existing transit, where it would have the greatest impact on promoting transit adoption and addressing climate change.
- Basing density on dubious and ephemeral transit plans invites litigation and creates considerable uncertainty for developers and homeowners as transit

plans are updated and qualifying transit stops are moved in and out of SB 79 eligibility areas. For example, San Diego's RTP includes unrealistic plans to convert local bus service in low density residential neighborhoods to the stringent and costly requirements of Bus Rapid Transit. Developers may acquire land based on SB 79 allowances only to find that projects will no longer be eligible for SB 79 allowances when San Diego's regional transportation planning agency (SANDAG) faces the physical and financial realities of converting local bus routes to BRT.

- The footprint of SB 79 is too diffuse to achieve population densities needed to support transit adoption on commercial corridors. The zoning overrides of SB 79 should be limited to areas immediately adjacent to transit, not a half mile away.
- Demolishing existing naturally occurring affordable housing without effective requirements for its replacement will reduce the availability of housing that is most desperately needed. Building new premium rent units doesn't promote sustainability or affordability.
- In San Diego, and likely other cities, "transit rich" areas are disproportionately lower opportunity areas according to the California Tax Credit Allocation Committee (CTCAC) opportunity map. As a result, one outcome of SB 79 is that it would target lower opportunity areas and spare higher opportunity areas, contrary to the Legislature's obligation to affirmatively further fair housing.
- Due to the indiscriminate one-half mile distance from transit, SB 79 would create out-of-scale developments in single-family neighborhoods that lack the public infrastructure and commercial amenities needed to reduce automobile dependence. SB 79 should be restricted to areas that are already zoned for multi-family housing.
- SB 79 would drive up home prices and make home ownership even less attainable to San Diego families. For example, San Diego has experienced more rapid and sustained increases in the prices of for-sale single-family homes relative to the rest of California because of the increased investor pressure from its unique Bonus ADU program.
- SB 79 ignores fire safety. Many areas in San Diego that SB 79 would make available for high-density development are on canyon rims in high fire hazard severity zones with inadequate fire lanes, cul-de-sacs that don't meet legal standards for fire equipment clearance or turning radius, and fire hydrant spacings that don't meet standards set for high-density multi-family zones. SB 79 does not include funding for cities to upgrade infrastructure and roadways in SB 79 eligible areas to meet those standards.

Neighbors For A Better San Diego represents over 5,000 residents of San Diego, who are concerned that Sacramento's and San Diego's deregulatory housing policies are driving up the cost of housing by destroying existing naturally occurring affordable housing to create new premium rate housing that is supposed to "filter down" to affordable rents in 30+ years. This concept is absurd on its face and should be recognized as not intended to meet the needs of California and San Diego residents, but rather to create windfall opportunities for developers and property investors.

SB 79 does not address a statewide concern. Pushing high-density development a half mile away from transit corridors into automobile-dependent neighborhoods is contrary to the principles of transit-oriented development, and saturating housing markets with above-market rental units does not "filter down" to make housing more affordable for hardworking middle class Californians.

The Legislature needs to take a step back and examine whether it is addressing California's housing affordability challenges or making them worse through continued predatory legislation such as SB 79.

Respectfully,

Geoffrey Huter

Geoffrey Hueter, Chair Neighbors For A Better San Diego

Attachment: Detailed Arguments Against SB 79

# **Attachment: Detailed Arguments Against SB 79**

The sections below detail Neighbors For A Better San Diego's (NFABSD's) arguments in opposition to SB 79. Our conclusions are summarized at the end of the attachment.

#### SB 79 undermines and conflicts with local planning

San Diego has done extensive work through its recent general plan update (Blueprint SD) to model areas of the city that would be the most supportive of transit adoption. The resulting transit propensity map is now being used as the basis for community plan updates that intend to put higher density developments near transit, often at densities exceeding those proposed by SB 79. These community plan updates are substantial, typically doubling the housing capacity of a community.

SB 79 would allow development in many of the areas identified already in San Diego's Adequate Sites Inventory (state-certified Housing Element). Through an accelerated cycle of community plan updates, San Diego has further increased its infill capacity to almost three times what it needs to meet its Regional Housing Needs Allocation. San Diego's building industry is already at capacity, so further upzoning won't increase homebuilding, it will just drive up prices of existing infill properties and encourage speculative land banking.

At the same time, the footprint of San Diego's highest transit propensity areas is much smaller than what would be created by SB 79, which means that future development will be appropriately concentrated, creating the synergistic density needed to create transit destinations and walkable, sustainable communities. SB 79 undermines this planning because it would randomly distribute new development across broad areas of San Diego. This would dilute the critical mass required to effectively support transit and economic development on our transit corridors, with the undesired negative outcomes of reinforcing San Diego's dependence on automobiles for daily activities and undermining California's 2035 greenhouse gas emission goals.

Local community plan updates reflect specific knowledge of the topography of San Diego and the distribution of job centers. SB 79 undermines this work because it assumes that all transit lines are equally effective in connecting housing to jobs and other daily activities. San Diego's transit propensity models clearly show that this is not the case.

The chaos that will be created by SB 79 shouldn't be imposed on cities that are creating opportunities for sufficient new transit-oriented housing based on a state-certified Housing Element.

#### <u>SB 79 does not use walking distance to measure proximity to transit stops</u>

State laws continue to be inconsistent in their language about transit proximity. Some laws explicitly state that the measure of distance is walking distance. Other laws, including SB 79, only reference "within one-half mile" or "within one-quarter mile." Even though walking distance is the only commonsense interpretation of "within onehalf mile," Neighbors For A Better San Diego recommends that the proposed language be amended to explicitly state walking distance along a pedestrian path of travel. Further, the California Department of Housing and Community Development (HCD) should interpret all state housing laws as based on walking distance even when not explicitly stated.

The interpretation of "within one-half" mile as radial ("crow flies") distance leads to clearly absurd situations. For example (Figure 1), Neighbors For A Better San Diego has documented numerous examples where, because of freeways and canyons, a half-mile radial distance from transit results in pedestrian paths that can be several miles away from a qualifying major transit stop. This is clearly not "transit oriented."





<u>SB 79 bases transit stops on future transit plans that may never happen</u>

Per Section 21155 of the Public Resources Code, SB 79 includes major transit stops that are "existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program or applicable regional transportation plan."

Regional transportation plans (RTPs) in California forecast transit projects out to 2050 or 2060, meaning that SB 79 will allow building housing based on transit that won't be available for 25 years (or possibly never), instead of encouraging higher density residential development immediately adjacent to existing transit, where it would have the greatest impact on promoting transit adoption and addressing climate change.

To successfully encourage transit adoption, development under SB 79 should be limited to transit stops that exist already or are funded to be completed within the fiveyear planning horizon of a Regional Transportation Improvement Program (RTIP).

Regional transportation plans (RTPs) should not be considered as a basis for permanent development. RTPs may extend to the year 2050 or 2060 and are highly speculative and subject to change due to budgetary shortfalls and shifts in regional priorities. Using RTPs to determine where higher density is allowed also introduces significant uncertainty for developers, who may acquire land in anticipation of SB 79 eligibility only to find that the property is no longer eligible when it comes time to apply for permits.

For example, a particular concern in San Diego is that SANDAG has added plans to its regional transportation plan to upgrade much of San Diego's local bus service to Bus Rapid Transit (BRT), which requires dedicated rights-of-way, multi-door boarding stations, and other upgrades that make buses effectively function as a "train on tires." This reconfiguration of streets is not feasible along many of the lines designated for BRT, and it is therefore highly likely that many if not most of these upgrades will not come to fruition.

Additionally, the definition of BRT is vague in that it does not specify how much of a route must meet the BRT criteria. Currently HCD claims that an entire route is BRT as long as any portion of the route meets the criteria. For example, a two-block long dedicated lane on a bus route qualifies all stops of the entire bus route as BRT stations, even if the route is tens of miles long. This is nonsensical and will likely result in lawsuits. Clarity needs to be added to the code requiring that only stops in the section of bus travel that meets the BRT criteria qualify as BRT stations.

To prevent these unintended consequences, SB 79 should define "transit-oriented development stops" based on the definition in Section 21064.33 of the Public Resources Code and be restricted to only those stops that already meet the qualifications of a major transit stop or will meet those requirements in the four year planning horizon of the regional transportation improvement program (RTIP), instead of the 20 year or more planning horizon of the regional transportation lean (RTP).

### Less is more

Analysis of transit usage and population density of major U.S. cities (Figure 2) shows that transit adoption is only meaningful in areas that exceed more than about 15 people per acre. Of California cities, only San Francisco (25 residents per acre) exceeds this threshold. Los Angeles (13 people per acre) is the only other city that comes close. As shown in Figure 2, San Diego's population density, less than 6 people per acre, is like other sprawling, automobile-dependent cities such as Phoenix, Houston, and Dallas, highlighting that transit-oriented development should focus on those areas of the city that have the highest propensity for transit usage.



# Figure 2. Population Density and Transit Adoption

Given projections for limited population growth, there is no possibility that San Diego overall will evolve into a transit-oriented city. However, it would be possible to create transit-oriented community centers within San Diego if new development is sufficiently concentrated in areas where transit accesses job centers, major sports and entertainment districts, recreation, and other amenities.

This reinforces the need to limit the planning horizon of major transit stops to just those that already exist or are included in a transportation improvement program. This would ensure that new development will be near transit and concentrated in a smaller footprint, thereby achieving the synergistic density of uses that reduces aggregate transit distances and creates vibrant walkable communities.

#### Demolishing NOAH units does not promote sustainability or affordability

San Diego is overproducing above market rate housing, yet SB 79 will encourage tearing down existing housing that is affordable to the majority of San Diegans to build new housing that is not. Furthermore, San Diego's attempts to base development on transit have predominantly targeted areas of the city with the least opportunity, which is contrary to the goals of affirmatively furthering fair housing (AFFH).

If upzoning was the key to affordability, then San Francisco would be the cheapest place to live in California instead of the most expensive.

#### The Fallacy of Filtering

The premise of SB 79 is that building market rate homes will somehow address the housing affordability challenges faced by moderate- and low-income households. The experience of San Diego contradicts this assumption. As a result of various factors, including streamlining project approvals and reducing affordable housing requirements, San Diego has seen a boom in new market rate housing development over the last several years, to the extent that San Diego is now ahead of its annualized above market rate housing targets for the current RHNA cycle. However, while rents have softened at the high end of the market, lower income households have not benefited and continue to be rent-challenged as rents at the lower end of the market have increased.

The authors of the bill have attempted to address affordability concerns by allowing local provisions for affordable housing, but the amendments fail to understand and account for the complex interactions that already exist between state density bonus laws and San Diego's local inclusionary housing and Complete Communities regulations. SB 79 will no doubt invite immediate litigation to resolve those issues.

Regardless, the experience of San Diego is that because of weak replacement unit and inclusionary housing requirements, market rate projects, such as the developments promoted by SB 79, typically do not deliver appreciable net gains in affordable units. In addition, the rents of the replacement units are often higher than those of the demolished units. As a result, families whose homes are demolished to make way for new market rate projects not only have to deal with the stress of being displaced from their homes, they also have to compete for new housing in a shrinking market for homes they can afford at the lower tiers of the market.

<u>SB 79 counterproductively pushes development into single-family neighborhoods that</u> are not transit oriented

A profound defect of SB 79 is that it would allow high-density developments up to 75 feet (or taller with density bonuses) in single-family neighborhoods. From San Diego's

experience with the Bonus ADU program (unlimited ADUs on a single-family lot in transit-priority areas), we know that the perverse effect of SB 79 will be to develop areas as far away from transit as possible where the prices of existing properties are cheaper (at least until the market adjusts to SB 79). Because building residential housing in residential-only neighborhoods doesn't add commercial and other amenities needed to create walkable neighborhoods, these new residents will be just as dependent on automobiles as the existing residents. This clearly undermines the intent of the bill to promote transit adoption and reduce greenhouse gas emissions.

We already have the capacity to build 4 units on every single-family zoned lot in California through Accessory Dwelling Units and SB 9 developments. We need to allow those programs to continue rather than replacing them with high-rise developments that are out-of-scale to their neighborhoods and don't have the necessary infrastructure to support the added residents.

As we have also seen in San Diego, as a result of the Bonus ADU program, allowing single-family properties to become high-density apartment complexes significantly increases the price of homes, particularly smaller starter homes for young families that are now prized by developers because of their favorable home to land ratios. The double effect of reduced inventory and increased land values has caused San Diego's home prices to continue to rise, even as home prices stabilize and even drop in other parts of the state.

#### SB 79 ignores Fire Safety

Most of the discussion about adding housing to fire-prone areas has focused on building codes, but the more important issue, as we witnessed in the recent Los Angeles fires, is that residential streets, particularly in single-family zoned neighborhoods, do not meet standards for fire lanes (minimum 20 feet between parked cars) and fire equipment turnarounds (minimum 50 foot turning radius), per CFC Section 503.2:

The applicant shall demonstrate that the lot fronts an improved public street with at least 20 feet of unobstructed width, as required by CFC Section 503.2, and a minimum 50 foot turning radius, as required by CFC Section 503.2.4, and to the satisfaction of the Fire Code Official.

Furthermore, SB 79 fails to heed the guidance from Attorney General Bonta to "<u>Mitigate</u> <u>Wildfire Risk from Proposed Developments in Fire-Prone Areas</u>," which specifically raises concerns about project density, project location, water supply and infrastructure, evacuation and emergency access, and fire hardening structures and homes.

## <u>CONCLUSION: SB 79 undermines local transit-oriented planning and does not address</u> <u>a statewide concern</u>

The text of SB 79 asserts a statewide concern, as follows:

65912.162. The Legislature finds and declares that the state faces a housing crisis of availability and affordability, in large part due to a severe shortage of housing, and solving the housing crisis therefore requires a multifaceted, statewide approach, including, but not limited to, encouraging an increase in the overall supply of housing, encouraging the development of housing that is affordable to households at all income levels, removing barriers to housing production, expanding homeownership opportunities, and expanding the availability of rental housing, and is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

Neighbors For A Better San Diego disputes these assertions and questions the legal validity of SB 79:

#### "encouraging an increase in the overall supply of housing"

SB 79 does not build housing. It only upzones land indiscriminately around transit stops (which may not exist until 25 years into the future, if ever). While it true that no more homes can be built than zoning allows, most California cities, through their state-certified Housing Elements, have zoned for much more housing than is needed to meet their state allocations for new housing (RHNA). Therefore, further overzoning, as proposed by SB 79, does not create more housing, it just drives speculation on infill properties and prices would-be homeowners out of the market.

# "encouraging the development of housing that is affordable to households at all income levels"

Zoning for taller, higher density structures doesn't just increase the cost of land, it also increases the cost of construction as developers have to use more expensive construction technologies to build taller buildings. SB 79 also encourages the destruction of existing naturally occurring affordable housing to build new market rate units, displacing families who are already challenged to find affordable places to live. Even with replacement requirements for affordable units, the rents for new units are often higher than the units that were destroyed.

#### "removing barriers to housing production"

As noted above, most cities have already zoned for more housing than they need to meet their RHNA goals, which means that availability of developable infill sites is not the barrier to housing production asserted by SB 79. The Legislature should stop forcing more upzoning and instead look at the real barriers to housing production, including building material shortages and costs, limited labor supply, and long permitting times.

#### "expanding homeownership opportunities"

The most likely outcome of SB 79 will be to produce rental units, not owneroccupied housing. For example, San Diego's unique Bonus ADU program turns single-family lots into apartment complexes, similar to what is envisioned by SB 79. One effect of this program has been that it reduces the supply of houses for would-be homeowners and drives up the prices for that reduced supply of homes. If the Legislature wants to expand homeownership opportunities, the best approach would be to address the abuses of construction defect litigation associated with condominium projects.

#### "expanding the availability of rental housing"

The primary effect of SB 79 will be to create above market rate housing. This market is already being saturated in San Diego and likely other California cities. The Legislature continues to promote policies that create above moderate market rate housing, hoping it will "filter down" to address the affordable housing challenges of families at lower income levels. Proponents of SB 79 need to provide valid economic studies proving that massive upzoning produces affordable housing.

It is notable that Section 65912.162 of the bill makes no mention of transitoriented development or climate action as a statewide concern. This suggests that the authors of the bill lack conviction that the overly expansive footprint of one-half mile to future transit as the crow flies across freeways and canyons truly promotes transit-oriented development.

For all the reasons above, SB 79 does not address "a matter of statewide concern" and will likely face lengthy legal challenges on these and other grounds, during which time the uncertainty caused by SB 79 will be a deterrent rather than an accelerator of new housing development.