



## *City Council Report*

**DATE:** March 24, 2026

**TITLE:** Public Hearing to consider the adoption of an Interim Ordinance, identifying specific sites for exclusion from Senate Bill 79 (SB 79) applicability, amending Section 21.02.020.E (Conflicting Requirements) of the Campbell Municipal Code to clarify the applicability of State and Federal preemptions to the Zoning Code, including as related to the implementation of Senate Bill 79, amending the Zoning Map to add a reference to Historic Structures of Merit, and authorizing submittal to the California Department of Housing and Community Development (HCD) for statutory review.

### **RECOMMENDED ACTION:**

That the City Council take the following action: Adopt an Interim Ordinance, identifying specific sites for exclusion from Senate Bill 79 (SB 79) applicability, amending Section 21.02.020.E (Conflicting Requirements) of the Campbell Municipal Code to clarify the applicability of State and Federal preemptions to the Zoning Code, including as related to the implementation of Senate Bill 79, amending the Zoning Map to add a reference to Historic Structures of Merit, and authorizing submittal to the California Department of Housing and Community Development (HCD) for statutory review.

### **EXECUTIVE SUMMARY**

Senate Bill 79 (SB 79), Abundant and Affordable Homes Near Transit Act, establishes statewide minimum development standards and densities for qualifying residential projects located near transit-oriented development (TOD) stops beginning July 1, 2026. While SB 79 significantly limits local discretion, the statute expressly authorizes local governments to **exclude certain sites from SB 79 applicability**, provided that those removals are adopted by ordinance, supported by specific findings, and submitted to HCD for review in advance of the law's effective date of July 1, 2026.

SB 79 authorizes two relevant categories for exclusion as follows:

- **Walking path exclusions** where a site lacks a pedestrian walking path of less than one mile to a qualifying TOD stop, supported by substantial evidence; and
- **Historic register exclusions** for sites designated as historic resources on a local register as of January 1, 2025.

Staff recommends adoption of an Interim Ordinance that identifies qualifying sites for exclusion, makes the findings required by SB 79, and authorizes submittal to HCD for review.

## **BACKGROUND**

Senate Bill 79 (SB 79), effective July 1, 2026, establishes statewide minimum development standards for housing located near qualifying transit stops and significantly expands allowable housing capacity in those areas. In the City of Campbell, SB 79 would apply to nearly 25% of the City's land area and enable over ten times (10x) the housing capacity anticipated by the City's adopted Housing Element (reference Attachment 2 – SB 79 Study Area).

The report seeks approval of an Interim Ordinance to remove certain sites from SB 79 eligibility, as authorized by the statute and as previously outlined in the City Council's previous presentation on SB 79.

## **DISCUSSION**

The following discussion outlines staff's evaluation of sites determined to qualify for exclusion from applicability under Senate Bill 79 (SB 79), including the implications for sites excluded, the required findings, and the timing and process for HCD review and consideration. The analysis is presented in three sections: the first addresses sites eligible for exclusions, the second explains the related zoning code and map amendments, and the third explains the HCD review process and the possibility that staff may return with refinements to the site exclusions list based on HCD feedback.

### **Sites Eligible for Exclusion from SB 79**

For the City of Campbell, there are two relevant categories to exclude sites otherwise subject to SB 79. These exclusions may be effectuated through an ordinance subject to the review of the State Department of Housing and Community Development (HCD) as follows:

#### **A. Sites Greater than 1 Mile Walking Distance**

SB 79<sup>[1]</sup> authorizes a local government to exclude sites within one-half mile of a TOD stop if the local government makes findings supported by substantial evidence that no walking path of less than one mile exists between the site and the TOD stop. Sites separated by significant physical barriers, such as Highway 17, are examples of locations that may qualify for this exemption.

For any site removal based on pedestrian access, the City must make findings supported by substantial evidence that there exists no walking path of less than one mile from the nearest edge of the parcel to a pedestrian access point for the transit-oriented development stop.

#### Identification of Sites Eligible for Removal

SB 79 does not define the term "pedestrian access point." Instead, the statute directs the applicable metropolitan planning organization (MPO), in this case, the Association of Bay Area Governments (ABAG), to prepare maps identifying TOD stops and associated zones by tier, consistent with guidance to be issued by the California Department of Housing and Community Development (HCD). Once finalized, these maps will carry a rebuttable presumption of validity<sup>[2]</sup> for use by project applicants and local governments.

At this time, both HCD guidance and ABAG’s official mapping are anticipated to be released after SB 79 becomes effective on July 1, 2026. As a result, local agencies must establish a reasonable interim methodology to evaluate pedestrian access and walking distance, with the understanding that locally generated analyses may be superseded once official maps are adopted.

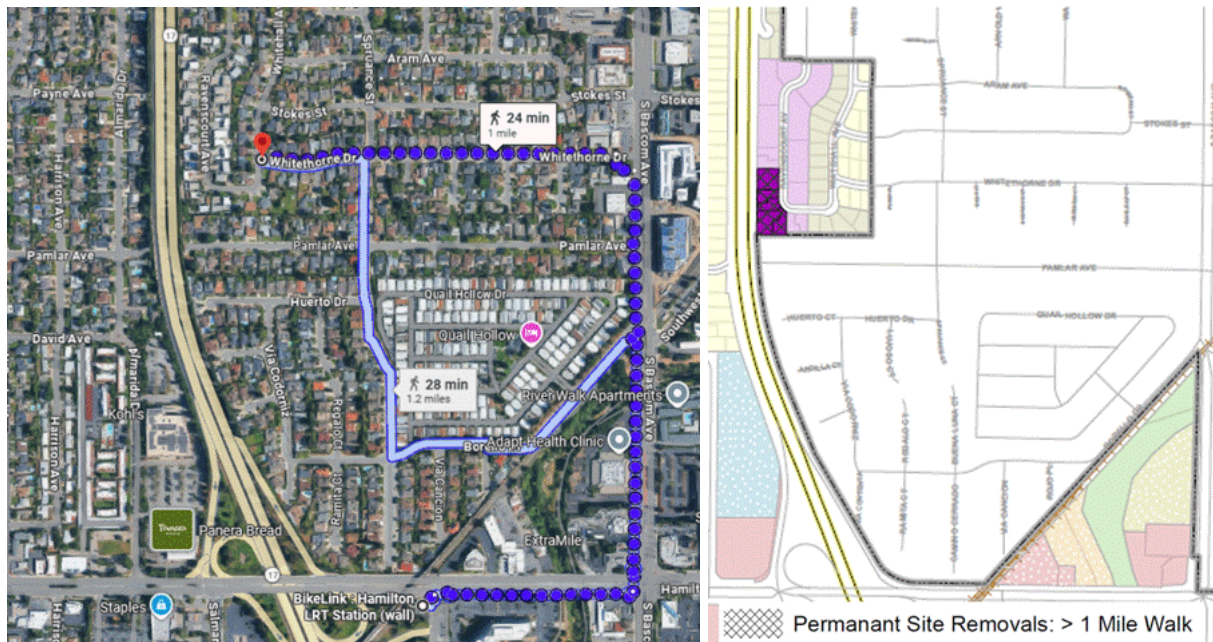
For purposes of identifying sites eligible for removal, staff developed an interim mapping methodology as a two-step process:

- **Identification of Pedestrian Access Points:** Staff delineated the full physical extent of each pedestrian access point serving the TOD stop, including the entire width of staircases, elevators, or platform entries.
- **Measurement of Walking Distances:** Staff measured walking distances from the nearest edge of each parcel to the closest pedestrian access point, using a combination of manual path tracing and publicly available “walking directions” from Google Maps to approximate real-world pedestrian routes.

The following figures illustrate two-step process: Figures 1 and 2 show how pedestrian access points were identified, while Figures 3 and 4 depict how walking distances were measured, leading to the identification of sites eligible for removal.

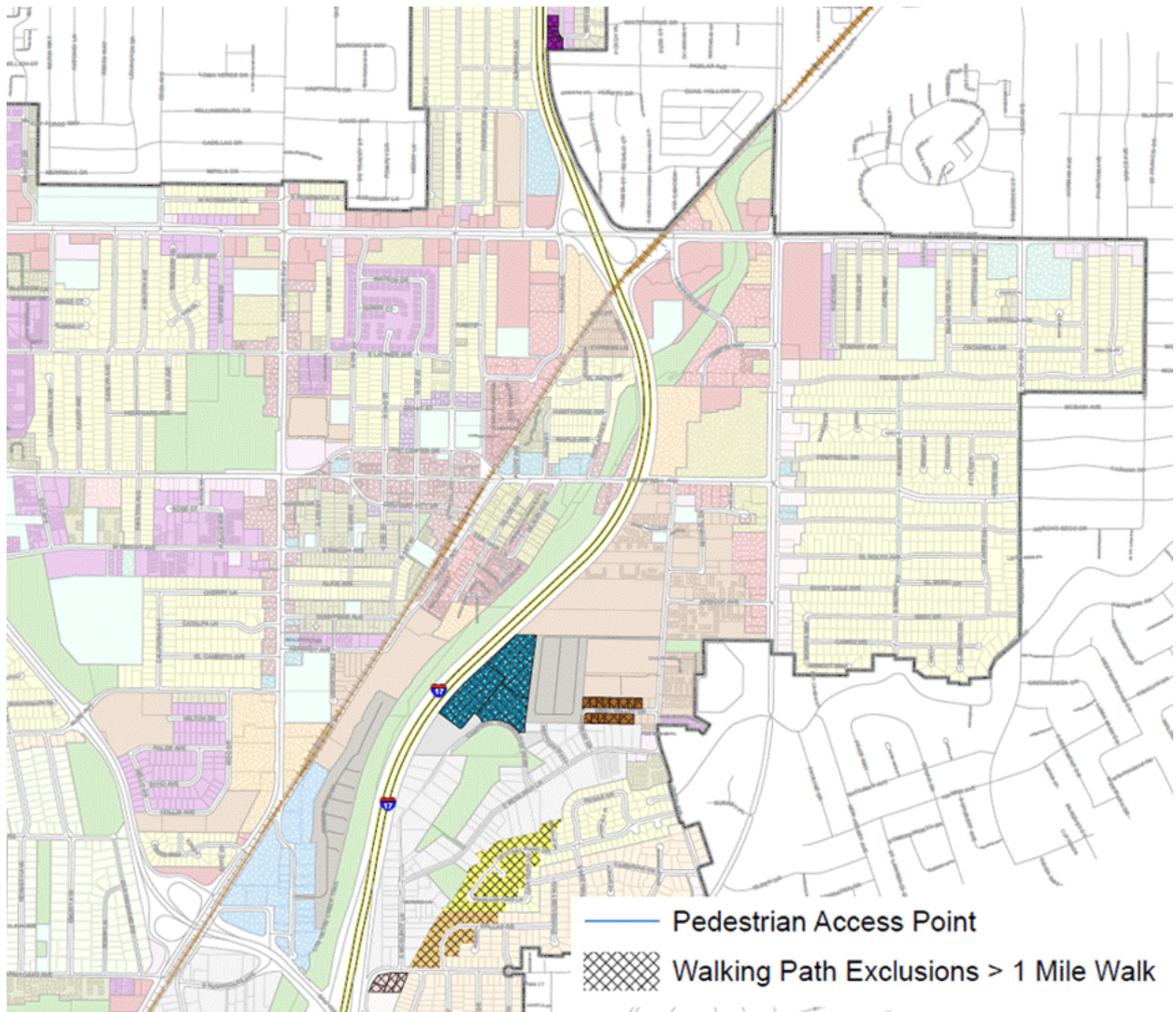


**Figures 1 & 2: Pedestrian Access Points Identified at Hamilton Station (Staircases & Elevator)**



**Figures 3 & 4: Measurement of Walking Distances & Identified Sites for Removal**

This methodology is intended to provide a defensible evidentiary basis for Council findings while recognizing that the City may need to revisit its determinations once ABAG's official maps are released.



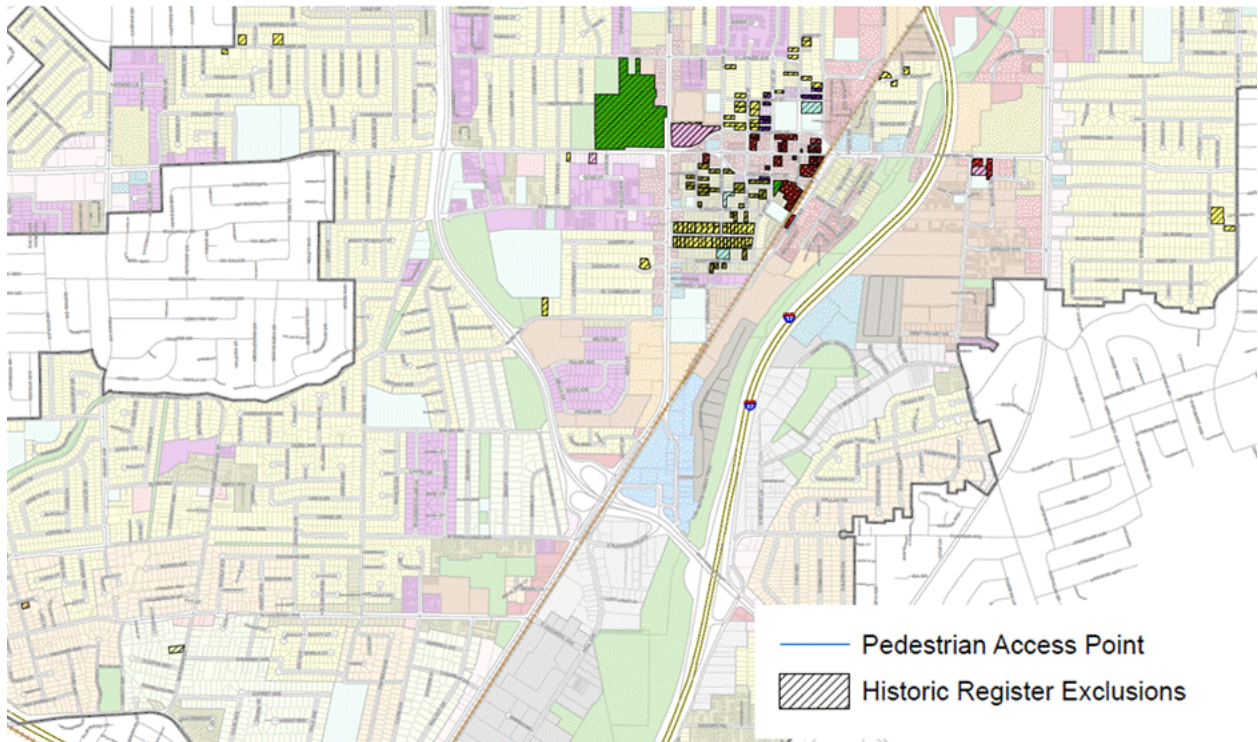
**Figure 5 – Sites Eligible for Walking Path Exclusions (excerpt from Attachment 1)**

**B. Historic Register Sites**

SB 79<sup>[3]</sup> also allows the City to exclude when they contain historic resources designated on a local register prior to January 1, 2025. These exemptions must be adopted by ordinance and are subject to review by the California Department of Housing and Community Development (HCD). The exemptions remain in effect until one year following adoption of the City's Seventh Cycle Housing Element.

Of the City's 143 Historic Resource Inventory sites, 123 (86 percent) are located within the SB 79 Study Area. To protect these historic resources and provide the City time to

evaluate the potential impacts of SB 79 on their redevelopment, staff recommends excluding all historic sites, including those outside the ½-mile Study Area, to avoid the need to revisit the list of excluded properties once ABAG’s official maps are released.



**Figure 6 – Sites Eligible for Historic Register Exclusions (excerpt from Attachment 1)**

### **3. Zoning Code & Map Amendments**

The City is proposing both zoning code and map amendments to locally implement Senate Bill 79 (SB 79), ensuring clarity regarding the relationship between local regulations and state law, and documenting historic properties on the Zoning Map. The proposed amendments include the following:

- A. **Zoning Code Amendment.** The Zoning Code amendment clarifies that when a conflict exists between the Zoning Code and applicable state or federal law, including SB 79, state or federal law prevails. The Community Development Director is authorized to issue an interpretation identifying such conflicts and describing how they will be addressed until the Code is formally amended. The amendment also authorizes the Director to maintain on file a list of properties affected by applicable state or federal law, including those temporarily or permanently excluded from SB 79 pursuant to local ordinance. This administrative mechanism allows the City to document such exclusions without embedding a static list in the Zoning Code.
- B. **Zoning Map Amendment.** While the City’s Historic Districts and Landmark properties are already depicted and referenced on the Zoning Map, Structures of Merit are not. To exclude these properties from SB 79, the Zoning Map must indicate which sites are or are not covered by Section 65912.157. As the Ordinance will exclude all Historic Sites, staff proposes adding a footnote

referencing Structures of Merit as established by Chapter 21.33 (Historic Preservation), so that additional properties referenced for temporary exclusion under SB 79 are included by reference on the Zoning Map.

#### **4. HCD Review Process**

Under SB 79, when a local government proposes to exclude sites, either permanently or temporarily, from applicability under the law, the proposed exclusions must be submitted to the California Department of Housing and Community Development (HCD) for review. HCD's role is to evaluate whether the submitted site exclusions comply with the requirements of SB 79.

The statute provides HCD with 90 days to review a submitted ordinance and determine whether the exclusions are consistent with the law. During this period, HCD may raise objections or request revisions. If HCD does not raise any objections or request revisions within the 90-day window, the exclusions are deemed effective.

If the City Council adopts the Ordinance as recommended, HCD would have until approximately June 2, 2026, to respond. This timeline provides sufficient opportunity for staff to return to the City Council in June to consider any amendments or refinements necessary to address HCD comments, prior to the law taking effect on July 1, 2026.

#### **PROCEDURAL REQUIREMENTS**

California Government Code Section 65858 allows local jurisdictions to adopt an Interim Ordinance to approve urgency measures as needed to provide sufficient time to address pressing land use matters. Consistent with the Government Code, Campbell Municipal Code Section 21.60.090 (Interim Ordinance) also provides that "the City Council may take appropriate action to adopt an urgency measure, as an interim ordinance, in compliance with State law..."

Adoption of an Interim Ordinance requires a supermajority of the City Council (**four-fifths vote**) and is effective for no more than 45 days. The City Council may further extend the interim ordinance for 10 months and 15 days after a noticed public hearing and may subsequently extend the urgency ordinance for up to two years. Ten days prior to the expiration of the ordinance, the City Council must issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance. Government Code section 65858(a) provides that the City Council may, after notice pursuant to Government Code section 65090 and a public hearing, subsequently extend an interim ordinance for an additional one year beyond expiration of the first extension.

Staff anticipate that the Interim Ordinance will need to be extended at least once prior to the 45-day expiration to allow sufficient time to prepare and adopt a formal ordinance through the normal hearing procedures.

#### **ENVIRONMENTAL DETERMINATION**

The California Environmental Quality Act (CEQA) requires agencies to identify the potential environmental effects of "projects". While adoption of the proposed Interim Ordinance is considered a "project" under Section 15378(a)(1) of the California Environmental Quality Act (CEQA), it may be found exempt from environmental review

under Section 15061(b)(3) because it does not create environmental impacts and merely preserves the status quo. The Interim Ordinance may also be found categorically exempt under Section 15308 of the California Environmental Quality Act because it is a temporary regulatory action taken by the City pursuant to its police power and in accordance with Government Code Section 65858 in the interest of evaluating and preventing potential environmental harms related to implementation of SB 79.

## **PUBLIC OUTREACH**

Notice of the City Council hearing was provided in accordance with state law. The ordinances implement state law and do not involve project-specific development approvals.

## **FISCAL IMPACTS**

There is no direct fiscal impact associated with adoption of the proposed ordinance. Any administrative costs associated with ordinance adoption and HCD coordination would be absorbed within existing departmental resources.

## **ALTERNATIVES**

1. Take no action.
2. Continue the item, directing staff to return with additional analysis to support the list of sites to be temporarily or permanently removed from applicability by SB 79.
3. Continue the item, directing staff to await publication of official SB 79 maps by the metropolitan planning organization.

<sup>[1]</sup> In accordance with Government Code Section 65912.160(e)(1).

<sup>[2]</sup> The maps will be presumed to be legally valid unless and until proved otherwise.

<sup>[3]</sup> In accordance with Government Code Section 65912.161(b)(1)(F).

**PREPARED BY:** Stephen Rose, Senior Planner

## Report Approval Details

Document Title:	SB 79 Site Removals v2.docx
Attachments:	Attachment 1 - CC Ordinance ~ SB 79 Site Removals.docx Attachment 2 - SB 79 Study Area.pdf
Final Approval Date:	March 18, 2026

This document and all of its attachments were approved and signed as outlined below:



Rob Eastwood, Community Development Director



Will Fuentes, Finance Director



Andrea Sanders, City Clerk



Brian Loventhal, City Manager