

EXHIBIT 1:
Phased Implementation Ordinance

CPC-2026-1798-MS

For consideration by City Planning Commission

May 14, 2026

ORDINANCE NO. _____

An ordinance to phase the implementation of “The Abundant and Affordable Homes Near Transit Act,” which was signed into law by Governor Gavin Newsom as Senate Bill 79 (2025) on October 10, 2025 (“SB 79”), pursuant to Government Code Sections 65912.155 - 65912.162.

WHEREAS, the California legislature declared in part that (a) the State faces a housing shortage both acute and chronic, particularly in areas with access to robust public transit infrastructure. (b) Creating ownership opportunities can be an effective long-term strategy for building wealth and can create a path to financial security. (c) Building more homes near transit access reduces housing and transportation costs for California families, and promotes environmental sustainability, economic growth, and reduced traffic congestion;

WHEREAS, SB 79 was signed into law as a matter of statewide concern to mitigate the housing crisis with incentives superseding local zoning and General Plan land use regulations by increasing the supply of affordable and market rate housing within one-half mile of certain specified Transit-oriented development stops creating Transit-oriented development zones (“TOD Zones”);

WHEREAS, SB 79 is chaptered in California Government Code Sections 65912.155 through 65912.162 inclusive, and contains provisions for temporary exemption from the bill's otherwise effective date of July 1, 2026, to one year following the adoption of the seventh revision of a local jurisdiction’s Housing Element of the General Plan;

WHEREAS, California Government Code Sections 65912.160(e) and 65912.161(b)(1) specify that exemptions must be adopted by ordinance if enacted, where sites and TOD Zones meet specified criteria in those sections;

WHEREAS, the City’s sixth cycle 2021-2029 Housing Element (“Housing Element”) was initially adopted on November 24, 2021 and later amended on June 14, 2022;

WHEREAS, the City’s Housing Element Rezoning Program (“Rezoning Program”), encompassing the Hollywood Community Plan, and the Downtown Community Plan, the Citywide Housing Incentive Program Ordinance (“CHIP”), Housing Element Sites and Minimum Density Ordinance (“HESMDO”), and Resident Protections Ordinances (“RPO”) were all adopted and effective as of February 11, 2025;

WHEREAS, the Rezoning Program responded to the City’s Regional Housing Needs Allocation shortfall of 255,432 housing units, including a shortfall of 130,553 lower-income units, by creating capacity for more than 563,594 total units, including 195,877 lower income units;

WHEREAS, the City’s Housing Element and Rezoning Program are built on public feedback from thousands of Angelenos, incorporate locally calibrated value capture tools, provide an

abundance of incentive schemes for various housing typologies, and affirmatively further fair housing as defined in California Government Code Section 8899.50 by facilitating new housing near strong infrastructure in Higher Opportunity Areas as defined by the California Tax Credit Allocation Committee;

WHEREAS, the CHIP program builds upon transit based housing programs, including, without limitation, the Transit Oriented Communities (“TOC”) program and Executive Directive 1, reflecting the City’s ongoing commitments to significantly expand opportunities for building more housing near high quality transit hubs and corridors in Higher Opportunity Areas;

WHEREAS, the California Department of Housing and Community Development (“HCD”) certified the City’s Housing Element and Rezoning Program on June 29, 2022, and June 18, 2025, respectively;

WHEREAS, on March 24, 2026, the City Council (Council File No. 25-1083) voted in favor of a phased implementation approach to SB 79 for all eligible sites identified in Government Code Section 65912.161(b)(1), with an accompanying ordinance to amend LAMC Section 12.22 A.38, consistent with goals, value capture strategies, and priorities from the City’s existing Housing Element and Rezoning Program;

WHEREAS, phased implementation is intended to, among other things, ensure that the City’s local implementation of SB 79 does not conflict with local land use initiatives and environmental concerns;

WHEREAS, in the absence of adopting this ordinance phasing the implementation of SB 79, California law requires, effective July 1, 2026, the approval of high-density multi-family development on sites: (1) within low resources areas; (2) covered by local transit-oriented development alternative plans; (3) within very high fire severity zones; (4) vulnerable to one foot sea level rise; (5) with designated historic resources; (6) that permit density and residential floor area ratios at no less than 50 percent of SB 79’s provisions; and (7) in a transit-oriented development zone in which at least 33 percent of sites have permitted density and residential floor area ratio no less than 50 percent and which includes sites with densities that cumulatively allow for at least 75 percent of the aggregate density for the transit-oriented development zone of SB 79’s provisions;

WHEREAS, the city council has broad powers in enacting ordinances to maintain the public health within its jurisdiction. (*Crown Motors v. City of Redding* (1991) 232 Cal.App.3d 173.);

WHEREAS, this ordinance is required to protect public peace, health and safety by, including, without limitation, implementing the permanent and temporary exemptions provided by California law to protect sensitive sites;

WHEREAS, the City conducted an in-depth assessment, consisting of, mapping and modeling analyses, to evaluate sites within the City that are eligible for permanent and temporary

exemption. Based on this information, the City released a draft map based on its initial bill analysis of potentially-eligible TOD Zones, identifying all of the City as eligible for permanent and temporary exemption;

WHEREAS, the City's mapping efforts are subject to change given that SB 79, pursuant to Government Code Section 65912.160(f), authorizes the Southern California Association of Governments ("SCAG"), as the region's metropolitan planning organization, to create maps of designated TOD stops and zones and update them as new stops become eligible;

WHEREAS, pursuant to California Government Code Section 65912.160(e), a local agency may declare that parcels in transit-oriented zones are permanently exempt from SB 79's zoning provisions, if the local agency makes findings, supported by substantial evidence, that: (1) there exists no walking path of less than one mile between that parcel and the transit-oriented development stop; or (2) the parcel is part of an industrial employment hub, as defined in Government Code Section 65912.160(e)(2);

WHEREAS, pursuant to Government Code Section 65912.161(b)(1), a local agency may declare that parcels in transit-oriented zones are temporarily exempt from SB 79 zoning provisions. The exemption expires one year after adoption of the jurisdiction's seventh housing element revisions.

WHEREAS, the City has and will continue to comply with the SB 79's purpose and intent, including, without limitation, building more homes near transit access, promoting environmental sustainability, economic growth, reducing traffic congestion, and Affirmatively Furthering Fair Housing; and

WHEREAS, California law and Section 253 of the City's Charter authorizes the City Council to adopt an urgency ordinance that takes effect immediately upon its publication when necessary for the immediate preservation of public peace, health or safety, and is adopted by a minimum three-fourths vote of the Council.

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Pursuant to California law Code Section 65912.160(e), the City Council adopts this ordinance exempting certain parcels from California Transit-Oriented Development law, including, without limitation Government Code section 65912.157, on eligible sites meeting the criteria for permanent exempt status as referenced below:

- Sites for which there exists no walking path of less than one mile from that location to the transit-oriented development stop (Section 65912.160(e)(1)),
- Sites designated as industrial employment hubs in cities with at least 15 transit-oriented development stops. An industrial employment hub shall be a contiguous area of at least

250 acres designated in the jurisdiction's general plan on or before January 1, 2025, as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) or subdivision (f) of Section 65912.121 and housing shall not be a permitted use on any of the sites so excluded (Section 65912.160(e)(2)).

Section 2. Pursuant to California law Code Sections 65912.161(b), the City Council adopts this ordinance temporarily exempting certain parcels from California Transit-Oriented Development law, prior to one year following the adoption of the seventh revision of the housing element, including, without limitation Government Code Section 65912.157, on eligible sites meeting the criteria for temporary exempt status as referenced below.

- A site that has been identified by the local jurisdiction which permits density and residential floor area ratio at no less than 50 percent of the standards specified in under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(A)),
- A site in a transit-oriented development zone in which at least 33 percent of sites in the relevant transit-oriented development zone have permitted density and residential floor area ratio no less than 50 percent of the standards specified under subdivision (a) of Section 65912.157 and which includes sites with densities that cumulatively allow for at least 75 percent of the aggregate density for the transit-oriented development zone specified under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(B)(i)),
- A site in a transit-oriented development zone around a transit-oriented development stop that is primarily comprised of a low-resource area which includes sites with densities that cumulatively allow for at least 40 percent of the aggregate density for the transit-oriented development zone specified under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(B)(ii)),
- A site in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the California Tax Credit Allocation Committee and the department, and within a jurisdiction that cumulatively allows for at least 50 percent of the total capacity for units and floor area as specified under Section 65912.157 across all transit-oriented development zones; (Section 65912.161(b)(1)(B)(iii)),
- A site that is covered by a local transit-oriented development alternative plan adopted by a local government; (Section 65912.161(b)(1)(C)),
- Sites within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within the state responsibility area, as defined in Section 4102 of the Public Resources Code; (Section 65912.161(b)(1)(D))
- Sites that are vulnerable to one foot of sea level rise, as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment; (Section 65912.161(b)(1)(E)), and
- Sites with a historic resource designated as of January 1, 2025, on a local register; (Section 65912.161(b)(1)(F)).

Section 3. By enacting this ordinance, the City Council grants the Director of Planning with the power and duty, consistent with City Charter section 553, to issue and update maps with eligible transit-oriented development sites meeting the criteria for permanent or temporary exempt status pursuant to Government Code Sections 65912.160(e)(1-2), 65912.161(b)(1)(A) - 65912.161(b)(1)(F), and 65912.161(b)(2), to ensure consistency with the most current transit-oriented development zones map published by SCAG. Pursuant to the City's local housing incentive programs, including, without limitation, LAMC Section 12.22 A.38, all parcels within the City's jurisdiction are subject to temporarily exempt status under Government Code section 65912.161(b). Unless otherwise provided, the City's subsequent adoption of a transit oriented development alternative plan for either a TOD Zone(s) or TOD stop(s) will not impact this ordinance.

Section 4. Pursuant to California Government Code Section 65912.160(c)(2), the Department of City Planning determined that this ordinance is not a project for purposes of the California Environmental Quality Act (California Public Resources Code Sections 21000 et. seq.).

Section 5. The City Council directs the Director of City Planning, or designee, to: (1) indicate on its public facing zoning map (ZIMAS) which sites or transit-oriented development zones are and are not covered SB 79's zoning provisions; and (2) transmit a final copy of this ordinance to HCD no later than 60 days after enactment.

Section 6. **URGENCY CLAUSE.** The City Council finds and declares that this ordinance is required for the immediate preservation of the public peace, health or safety for the reasons set forth herein. This ordinance is required to take effect immediately upon publication to preserve the quality of life within the City. SB 79 applies unilaterally on all eligible transit stations regardless of whether they are in healthy or hazardous places, including very high fire hazard severity zones and industrial sites; or are in areas with displacement pressures, vulnerable communities, and past zoning injustice. That said, the City's 2021-2029 certified Housing Element commits the City of Los Angeles to plan for housing in a way that addresses past patterns of discrimination and exclusion and strives for greater affordability, equity, and sustainability citywide through prioritizing growth in areas shown to have positive life and health outcomes by encouraging infill development in high opportunity areas near access to jobs, transit, amenities, and neighborhood services. Adoption of this ordinance to phase implementation of SB 79 effectuation would provide more time to evaluate alternative plan options and consider approaches to address health and safety and displacement pressures.

Section 7. **SEVERABILITY.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.