Senate Bill 79's Impacts on Transportation Equity

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Introduction

Los Angeles is a city defined by contradiction: a sprawling metropolis with one of the most expansive public transit networks in the country, yet 88% of residents own a car and low-income communities remain spatially disconnected from jobs, services, and opportunities (Babo, 2024). This tension sits at the center of California's Senate Bill 79 (SB-79), the Abundant and Affordable Homes Near Transit Act, which mandates by-right development standards and streamlines ministerial approvals for high-density, affordable housing projects located within transit-oriented development (TOD) zones. The bill has three core solutions: mandatory density and height increases, strengthened Housing Accountability Act Enforcement, and anti-displacement safeguards requiring each development to ensure 7-13% of residential units are affordable. These measures position SB-79 to be both a housing supply intervention and an equity instrument.

SB-79 emphasizes transit-oriented development (TOD), a land-use planning strategy that coordinates transportation investment with urban development patterns to increase regional accessibility. This style of development aims to align where people live with where jobs and transit are located (Dittmar & Ohland, 2004; Pendall et al., 2012). Nevertheless, TOD has potential negative implications. Existing literature suggests the possibility of gentrification, rising housing costs, and the displacement of low-income transit-development residents it intended to serve (Cozart, 2017; Pollack et al., 2010; Zhao et al., 2024). However, SB-79 was also a heavily amended bill that went through 13 rounds of amendments to satisfy a variety of interest groups (Christopher, 2024). This paper aims to investigate how SB-79 will impact transportation equity outcomes in Los Angeles. To answer this question, we conducted a systematic literature review of TOD and transportation equity literature, examined SB-79’s

specific provisions against equity standards established in the literature, and synthesized the policy's implication for Los Angeles.

Research Methods

To evaluate how SB-79 may affect transportation equity outcomes in Los Angeles, we conducted a systematic literature review of peer-reviewed literature focused on transit-oriented development transportation accessibility and equity, and housing displacement. Our search was conducted primarily across two platforms: Google Scholar which provided over 60,000 initial results, and JSTOR which provided a narrower result of 28 to 113, varying on the search terms used. From this initial search, we screened abstracts and methodology sections to identify studies addressing equity outcomes, accessibility impacts, or displacement risks associated with TOD or related land-use policy. We ultimately select 15 key sources based on their relevance to transportation equity, their focus on TOD and housing policy. These sources collectively provided the analytical framework used to establish what equitable TOD looks like in theory and in practice, identifying documented patterns of TOD triggered gentrification across comparable cities including: Denver, Portland, San Francisco, and Toronto; evaluating SB-79's specific provisions against those standards. Where the literature does not speak directly to Los Angeles, findings from comparable urban contexts are used comparatively to draw informed inferences about likely equity outcomes under SB-79.

Literature Review

The literature review below will provide readers with a comprehensive overview of the equity issues associated with transit-oriented development.

The promise of transit-oriented development

Research suggests that transportation planning and land use planning ought to develop in tandem with each other to increase accessibility across all socioeconomic groups, but particularly for low-income travelers (Cozart, 2017; Bullard, 2003; Public Counsel Community Development Project; 2012). Existing urban planning and development approaches are overly "fragmented" (Cozart, 2017, p. 223), which has led to a spatial mismatch between residential locations and opportunities, particularly for minoritized and low-income workers. This reality has increased low-income travelers' commute times and decreased their accessibility to opportunities across the board (Cozart, 2017; Lung-Amam, 2019). Coordinating fixed-route transportation planning and mixed-use, moderate-to-high density housing development is known as transit-oriented development (TOD) (Dittmar & Ohland, 2004; Pendell et al., 2012; Zhao et al., 2024), and researchers argue that it has the potential to address the spatial accessibility gap facing disadvantaged communities (Lung-Amam, 2019; Rayle, 2014).

Many of these communities have been characterized by historic disinvestment as local agencies prioritized suburbanization and sprawl over central-city investment (Bullard, 2007). Scholars argue that TOD has the potential to drive economic investment back to central cities and other disadvantaged neighborhoods (Bullard, 2007).

Gentrification triggered by transit-oriented development

A primary equity concern associated with TOD is its potential to trigger gentrification and the displacement of existing low-income residents. Although existing residents may experience the benefit of increased mobility, they are also faced with rising housing costs and its

ripple effects (Cozart, 2017; Pollack et al., 2010). The literature finds a number of examples where TOD or other forms of transit investment have resulted in increased housing costs, neighborhood residents becoming whiter and wealthier, and vehicle ownership increasing (Pollack et al., 2010). This kind of neighborhood change is known as gentrification (Zuk et al., 2018) and raises serious equity concerns amongst scholars, policymakers, and community-members alike.

Although gentrification just signifies changes in neighborhood characteristics, it can also catalyze involuntary displacement (Public Counsel Community Development Project, 2012; Zhao et al., 2024). As newer, wealthier residents flock to neighborhoods undergoing TOD, demand for housing increases, and the purchasing power of existing residents decreases. When TOD occurs in low-income neighborhoods, existing low-income residents are unable to afford increases in rents and property taxes, forcing them to move from their once affordable neighborhood (Zhao et al., 2024). As such, newer and wealthier residents benefit from TOD at the expense of more vulnerable, often low-income, transit-dependent residents. These trends have been observed in metropolitan cities across the globe, including Denver, Seattle, Austin, San Francisco, Toronto, Sao Paolo, and Hong Kong (Zhao et al., 2024).

Existing literature suggests some variation in patterns of TOD-triggered gentrification and displacement, however. Baker & Lee (2019) find that some cities like Portland, Oregon experience counter-gentrification, where decreases in gentrification indicators are coupled with increases in TOD indicators. Other scholars also find limited empirical evidence that gentrification necessarily causes physical displacement (Rayle, 2014). The variation in the literature suggests that the effects of TOD and gentrification on an urban area heavily depend on local policy. In Portland, for example, the state of Oregon heavily funds multifamily and

affordable housing developments, giving the city a direct incentive to prioritize equitable housing development within TOD (Baker & Lee, 2019). This indicates that, with the right policy interventions, TOD can successfully advance equity goals.

Furthering equitable transit-oriented development

Researchers have offered multiple strategies for advancing equitable TOD (eTOD) across the research and development processes. Zhao et al. (2024) clearly highlights a framework for setting equity goals, arguing that existing analysis frameworks, like the "Node-Place" model, are inadequate at assessing equity because they fail to incorporate the social dimension of TOD. Instead, the author proposes a "Node-Place-People" model, which includes social vulnerability within its assessment framework. The authors define social vulnerability as the susceptibility to the negative effects of an external intervention. Low-income and minority populations are often the populations that are most susceptible to these negative impacts (Zhao et al., 2024). The authors' research offers us a pathway to define equity goals for TOD projects: To ensure that the benefits and costs of TOD projects are fairly distributed, and in particular, that socially vulnerable groups do not bear the brunt of these external policy interventions.

The scholarship offers a number of solutions to actualize these goals, including encouraging urban planners, policymakers, and developers to prioritize community engagement and community-oriented solutions in the development process (Bullard, 2003; Lung-Amam, 2019; Public Counsel Community Development Project, 2012). This includes community educational opportunities that engage community members at every step of TOD processes (Public Counsel Community Development Project, 2012), increased funding for

community-based, cross-sector organizations advocating for eTOD (Lung-Amam, 2019), and inclusive decision-making (Bullard, 2003; Lung-Amam, 2019).

The literature also suggests that ensuring that affordable housing and tenant protections are incorporated into the development process at the design and policy level are integral in achieving eTOD. Multiple scholars point to housing unaffordability as a driver of TOD-triggered displacement (Cozart, 2017; Pollack et al., 2010). Implementing affordable housing into TOD, either entire developments at affordable rates or mixed-income housing, can alleviate rates of displacement (Saldãna & Wykowski, 2012; Zhao et al., 2024). Mixed-income housing can reduce the supply of affordable housing, however, so some scholars suggest implementing tenant protections as an overall protective tactic (Phillips et al., 2021). It is worth noting that SB-79 mandates all new developments to make 7-13% of their residential units affordable, with the aim to increase housing affordability and accessibility (*SB-79*, 2025).

From this existing research, we can establish an equity standard to assess current and future TOD projects. First, a TOD project must prioritize community-engagement at each step of the development process, including after building has been completed. Second, affordable housing must be integrated into any TOD project to meet equity standards. Finally, while this does not necessarily pertain to individual TOD projects, at the policy-level, tenants should be offered legal protections against formal and informal evictions. These equity standards work to ensure that existing residents – in particular, low-income and minority residents – have access to the many benefits that TOD has to offer, from increased accessibility to better health and wellbeing outcomes.

Light-rail versus bus

While eTOD can make use of building subsidized affordable housing, tenant protections, and community engagement in the development process to alleviate stress on existing residents from the forces of gentrification, it cannot guarantee that all housing will be affordable for all transit-dependent riders. This may seem like eTOD is still behind equity goals, in terms of who lives in eTOD, because on the surface it seems that we should be prioritizing not just existing residents, but everyone who is dependent on transit. The equity fear is that SB-79 will lead to a spatial mismatch.

Transit-dependent riders are not as dependent on the large stations that are included in the design of SB-79's eTOD inclusion areas. In Los Angeles, urban sprawl and highway development has made the city extremely car-dependent, which has caused car-ownership levels to reach 88% (Babo, 2024). Often, residents who don't own a car and are completely dependent on transit in Los Angeles are low-income residents, but their transit use patterns also heavily differ from middle and upper-income residents. Low-income riders tend to make shorter, more frequent trips, using the bus as their primary transit mode. Low-income travelers with household incomes below $25,000 make up 70% of LA Metro ridership, but only 46% of rail ridership (Brozen, 2024). Bus trips make up a large share of overall trip generation – nearly 80% of Metro trips in 2023 were bus trips. Although SB-79 includes areas around two major BRT lanes in LA, TOD mandates through this bill will not extend to many of the bus stations that serve LA's travelers (Smith, 2023).

While SB-79 is a major investment in public transportation, it doesn't necessarily serve the people who are most dependent on it. Similar investments towards light rail improvements and expansions can be seen in the "28 by 28" program, and this is another example of LA Metro trying to get the already car owning middle-class to buy into riding public transportation. True

prioritization of the most transit dependent riders in Los Angeles would include investment into improving existing bus services. It still serves them in an indirect way however. If more middle-class residents who own a car decide to live in these eTOD neighborhoods, they could possibly be less car dependent, which could help improve traffic and allow bus services to operate more efficiently.

Policy Implications

The eligibility requirements and exclusions are precise and dense. For a snapshot of the eligibility requirements, here are three necessities; 1) the sites are zoned for residential, mixed use, or commercial development, 2) the development must include at least 5 units and each unit must not exceed 1,750 net habitable square feet, and 3) at least two-thirds of the project's total square footage must be dedicated to residential use. These requirements emphasize increasing residential units, potentially lowering housing prices and raising demand for transit.

The exclusions or specificities for commercial zoning is that hotels, motels, or other transient lodging cannot be a part of the development, it must be for residential, long-term living. Local governments are allowed to designate industrial employment hubs of at least 250 acres as exempt from these housing mandates. Furthermore, the bill does not apply to unincorporated areas in these counties until the start of the 7th Regional Housing Needs Allocation (RHNA) cycle which does not begin until 2030 for major metropolitan areas.

The California Senate Bill 79 officially goes into effect on July 1, 2026 and will apply only to incorporated areas in counties with more than 15 passenger rail stations. These counties are Alameda, Contra Costa, Los Angeles, Orange, Sacramento, San Bernardino, Santa Clara, San Diego, San Francisco, and San Mateo. There might be some delay in the implementation of this

bill due to a rocky rollout and a barely-passed voter ratio. However, the Los Angeles City Council has begun planning strategies for initiating the law, such as by "upzoning" local zoning codes to increase the allowed density for residential properties.

There are some notable concerns within the bill. Projects are ineligible if the site contains more than two rent-controlled units occupied within the past seven years. Although this measure aims to protect housing affordability, it does limit overall land available for development. However, offering tenant protections and rent stabilization measures aims to protect existing residents against involuntary displacement, complying with the equity standards we outlined in the literature review. Additionally, areas with no walkable path within one mile of a transit stop are not eligible for development. This may apply to more areas of these counties than we may be able to account for at this time. The bill also excludes California High Speed Rail and Amtrak Long Distance Service stops. The zone must be located near heavy commuter rail with 72 or more daily trains such as Bay Area Rapid Transit (BART) and Caltrain as well as light commuter rail with 48 to 71 daily trains such as Bus Rapid Transit. While these specifications aim to serve a diverse range of commuters, including those traveling by bus, not all travelers may be served, raising a key equity concern.

Conclusion

SB-79 aims to increase housing supply across California through transit-oriented development, expanding transit and housing accessibility together. However, the history of transit-oriented development has revealed a range of associated equity challenges, including displacement of existing residents and an inability to serve transit-dependent riders. SB-79 aims to address some of these equity concerns, including protecting rent-controlled apartment

buildings, mandating development along some bus corridors, and requiring affordable housing units to be integrated into each TOD. However, there is room for improvement. Developers should continue to engage with community members at each step of the development process, ensuring that the costs and benefits of development are fairly distributed. SB-79 is an exciting step in the right direction, providing greater transit accessibility to a larger population. But to ensure those benefits are accrued in an equitable manner, developers and planners alike must adhere to equity standards.

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