



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1563

Agenda Date: 6/24/2026

Agenda #: 3.

DATE: June 24, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

TITLE: CONSIDERATION OF AN INTERIM URGENCY ORDINANCE DEFERRING IMPLEMENTATION OF THE AFFORDABLE HOMES NEAR TRANSIT ACT (SB 79) INCLUDING EXEMPTIONS - SB 79 INTERIM URGENCY ORDINANCE

RECOMMENDATION

Staff recommends that the City Council:

- 1) Confirm issuance of a statutory exemption per the CEQA Guidelines under Sections 15378(b)(5) and 15060(c)(3); and
- 2) Introduce an interim urgency ordinance to exclude and exempt eligible sites, and defer implementation of SB 79 on qualifying sites, as authorized under Government Code Sections 65858, 65912.157(h), 65912.160(e)(1) and 65912.161(b)(1).

BACKGROUND AND ANALYSIS

On October 10, 2025, SB 79 was signed into law (Government Code Section 65912.155 et seq.), allowing increased density within residential and commercially zoned sites within one-half mile from designated major transit stops. Operative provisions of SB 79 are slated to take effect on July 1, 2026.

Since October 2025, Staff have been analyzing how to implement SB 79 within the City of Oceanside while also ensuring that there is sufficient public health and safety infrastructure in place to support the additional new development afforded by the legislation. Through the Spring of 2026, there continued to be significant uncertainty over some of the law's definitions and how they would be applied. This further complicated the implementation process. The key triggering mechanism for SB 79 implementation is the publication of maps identifying designated transit-oriented development stops. In anticipation of the maps being published, Staff began working on the elements of a Local Alternative Transit Oriented Development Plan. However, it became apparent that the underlying data and planning efforts necessary to complete such a plan within the SB 79 framework was not readily achievable before the July 1, 2026 implementation date. Accordingly, Staff began the process of bringing forward a phased implementation and deferral ordinance that would afford City staff the necessary time to complete the long-awaited General Plan Update and Smart and Sustainable Corridors Specific Plan and then begin the planning process for additional growth above those

planned-for projections.

Staff prepared detailed GIS mapping of the SB 79 impacted parcels and prepared a draft deferred implementation ordinance. On May 18, 2026, the Planning Commission unanimously recommended the SB 79 phased implementation ordinance to the City Council following a duly noticed public hearing. On June 3, 2026, following a duly noticed public hearing, the City Council voted 5-0 to introduce an SB 79 phased implementation ordinance pursuant to Government Code Sections 65912.160(e)(1) and 65912.161(b)(1). Among other things, said ordinance would exempt sites without an adequate walking path to a transit-oriented development (TOD) stop from being able to utilize SB 79. In addition, approval of the ordinance grants the city the option to defer implementation of SB 79 on sites meeting certain statutory criteria until one year following the seventh revision of the City's Housing Element, or when a Local TOD Alternative Plan ("Alt Plan") is adopted, whichever is first. Additional details regarding the SB 79 implementation ordinance can be found in Attachments 1 and 2.

The City Council adopted the above-referenced ordinance at its next regular meeting on June 17, 2026. However, the ordinance does not take effect until July 17, 2026 and is subject to HCD review pursuant to Government Code section 65912.160(d). This leaves a short window of uncertainty where sites the City Council has found to be appropriate for exemption or deferral under SB 79, whether permanently or temporarily under, might be incorrectly perceived as immediately eligible for SB 79 implementation. Also, on June 18, 2026 SANDAG published draft SB 79 maps confirming the likely Tier 2 designation for all NCTD Sprinter stops within Oceanside and on June 24, 2026, the City Council is holding a public hearing on adoption of the General Plan Update and Smart and Sustainable Corridors Program. Now that SANDAG maps are published, the General Plan Update is recommended for adoption, and the City's SB 79 deferral ordinance is pending HCD review, adopting the subject interim urgency ordinance creates certainty and harmonizes the City Council's intent and sustain existing procedures and policies by becoming effective immediately upon adoption.

As proposed, the interim ordinance mirrors the provisions of the previously-adopted implementation ordinance. Specifically, this entails the exemption of sites without an adequate path of travel to a TOD stop per Government Code Section 65912.160(e)(1) (Attachment 3) and sites meeting the various criteria of 65912.161(b)(1) (Attachment 4).

Without the subject interim ordinance, the City could receive an influx of development applications without adequately accounting for growth management within these TOD areas beyond what is planned under the General Plan Update (GPU) and Smart and Sustainable Corridors Specific Plan (SSCSP). Expected yield of the GPU is approximately 16,900 new housing units at full buildout (2050). Ensuring that there are adequate facilities, service capacity, and infrastructure to serve this growth was a main function of the GPU process. The City's SSCSP has a more limited geographical extent, only affecting sites outside of the Coastal Zone along the Mission Avenue, Oceanside, Boulevard, and Vista Way corridors, and assumes 8,300 new dwelling units at buildout (2050).

SB 79 would largely apply to areas along and around the Oceanside Boulevard corridor and potentially result in increased levels of development adding significantly more growth than planned services and infrastructure could reasonably accommodate. Indeed, the minimum and maximum

capacity that SB 79 mandates on impacted parcels requires the City to account for unit counts, density, and potential population growth that far exceeds the City's long-range planning. In doing so, existing public safety resources and infrastructure capacity would be overly impacted by the resulting immediate impacts to public health, safety, and welfare.

More specifically, the window between the effective dates of SB 79 and the City's implementation ordinance creates an immediate threat to public health, safety, and welfare in the exact areas the City Council has already identified for exemption or deferred implementation. For example, the City has received a highly publicized inquiry from a potential developer proposing to site a 3-story, 24-unit apartment complex with zero on-site parking on an existing single-family parcel. Staff anticipates similar developer interest on similarly sited properties. Existing infrastructure (e.g., water service, roadway and sewer capacity, public safety response) could quickly become overwhelmed if this development trend continues, creating significant health and safety impacts, particularly in existing single-family neighborhoods that simply were not designed or planned to accommodate such exponential growth. Growth beyond the General Plan and SSCSP could induce development that will materially and forever alter the existing community before the City has even had the opportunity to address these planning concerns through holistic review and will impose ultra-high density development on a timeline where existing infrastructure and services are unable to meet demand. Whether a property owner chooses to pursue development depends on numerous factors, chief among them being market forces and land use restrictions. Without this interim urgency ordinance, city staff believe less conscientious developers will seek to exploit the uncertainty in this brief window and misapply SB 79 and its local implementation.

Absent urgent action, potential impacts to public health, safety, and general welfare include delayed public safety response times across the City, insufficient potable water supply and sewer infrastructure, insufficient gas and electric infrastructure, insufficient solid waste services, overburdened traffic networks and decreased traffic safety, increased air pollution, displacement, and rapid destruction of neighborhood character.

It is of utmost importance that new development results in net benefits to the City and its inhabitants. The adoption of the subject interim urgency ordinance would not result in a moratorium of residential development; projects would still be allowed if consistent with local codes, regulations, and policies or on non-deferred or non-exempt sites under SB 79. This ordinance simply makes immediately effective the ordinance the City Council already approved at duly noticed public meetings, providing certainty and sustain existing procedures and policies.

ENVIRONMENTAL REVIEW

This activity is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5) as it is an organizational or administrative activity of government that will not result in any direct or indirect physical changes in the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). This determination is predicated on CEQA Guidelines Section 15004, which provides direction to lead agencies on the appropriate timing for environmental review. This action would not result in any changes from the regulations that apply to new development today. Rather it would comply with SB 79's procedural requirements to

exempt certain areas from its application and to implement SB 79 in other areas at a date later than July 1, 2026. Any future discretionary actions related to implementation of SB 79 will be evaluated in accordance with CEQA and state law.

FISCAL IMPACT

Not applicable.

COMMISSION OR COMMITTEE REPORT

Not applicable.

CITY ATTORNEY'S ANALYSIS

Oceanside City Code section 2.1.49(f) provides that urgency ordinances may be adopted at the time of introduction pursuant to the provisions of the Government Code. Government Code section 36394 provides in relevant part that an urgency ordinance may be passed immediately upon introduction and either at a regular or special meeting; section 36397(b) makes an ordinance for the immediate preservation of the public peace, health or safety, containing a declaration of the facts constituting the urgency, immediately effective if passed by a four-fifths vote of the City Council. Similarly, Government Code section 65858 provides for the immediate effectiveness of an interim urgency ordinance to protect the public safety, health, and welfare, and prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, planning commission or the planning department is considering without the formal requirements for adopting a zoning ordinance if approved by a four-fifths vote of the legislative body for adoption. The supporting documents have been reviewed and approved as to form by the City Attorney.

Prepared by: Dane Thompson, Senior Planner

Reviewed by: Brian Thomas, Acting Development Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. June 3, 2026 City Council Staff Report
2. May 18, 2026 Planning Commission Staff Report
3. Sites Exceeding a One-Mile Walking Path
4. Sites Meeting Deferment Criteria
5. Interim Urgency Ordinance
6. Notice of Exemption