

MotionCount

# Bay Area Housing Production & Zoning Reform

Development Intelligence — 16 Cities

Report Date: March 2026

Analysis of 237 agenda items sourced via MotionCount from city councils, planning commissions, and zoning hearings across the Bay Area, filtered from 1,146 raw hits. Covers housing element compliance, SB 79 transit-oriented development implementation, AB 130 CEQA streamlining, density bonus usage, affordable housing financing, and local code amendments.

16 Cities | 237 Agenda Items | ~12,900 Units in Pipeline | 7 Key State Bills

Report generated March 11, 2026

## 1. Executive Summary

2025 was the year Sacramento made its housing ambitions structural. AB 130 and SB 131 rewired CEQA for infill. SB 79 overrode local zoning near transit. AB 712 gave developers litigation tools against slow-walking cities. The question in early 2026 is no longer whether these laws will reshape Bay Area cities, but how fast and how unevenly.

This report analyzes 237 agenda items from 16 Bay Area cities to surface what is actually happening on the ground: which cities are racing to implement, which are maximizing exclusions, where the density bonus is being stretched to its limits, and where affordable housing production is falling behind RHNA targets despite record legislative ambition.

### Implementation Tiers

Not all cities are responding to 2025's legislative overhaul equally. Based on the alignment between stated policy, revealed behavior, and production outcomes, three tiers emerge:

Tier	Cities	Pattern
Leading	Sunnyvale, Berkeley, Mountain View, Redwood City, San Francisco	Proactively expanding capacity through local initiative. Policy and behavior aligned. Producing results at or above regional averages. State law is accelerant, not compulsion.

Tier	Cities	Pattern
Adapting	Fremont, Hayward, Oakland, San Jose, Santa Clara, Santa Rosa, Daly City, Alameda	Implementing state mandates with varying degrees of enthusiasm and capacity. Mixed signals: genuine innovation in some areas, constraint or delay in others. Production adequate but not exceptional.
Being Compelled	Cupertino, Palo Alto	Market-rate production driven primarily by builder's remedy, state preemption, or compliance deadlines rather than local political will. Note: both cities show genuine initiative on affordable housing specifically; the compulsion applies to market-rate.

South San Francisco has insufficient data in this sample (2 items) for classification.

### Key Findings

SB 79 is the main event, and exclusion strategies reveal political posture. Every city with qualifying transit stops is developing an implementation strategy before July 1, 2026. Oakland and San Francisco are maximizing exclusions (temporarily exempting tens of thousands of parcels in low-resource areas). San Jose is carving out 4,448 acres of industrial land. But exclusion volume is not the whole story. Sunnyvale's response is to proactively advocate SB 722 to protect 3,862 mobile homes from displacement, a defensive move that reveals genuine concern for existing residents rather than blanket resistance to density.

AB 130 has already changed the development pipeline. Projects across Mountain View, Palo Alto, Cupertino, Fremont, and Sunnyvale cite AB 130 as their CEQA pathway. Mountain View staff explicitly recommend expanding ministerial approvals for all AB 130-qualifying projects, acknowledging the city has limited discretion under the compressed timelines. Palo Alto's builder's remedy projects are stacking AB 130 with SB 330 vesting, a legal strategy that effectively locks cities out of meaningful review.

The density bonus labor question could reprice every project in the state. Berkeley's building trades are appealing three projects where prevailing wage and healthcare exemptions were granted as density bonus concessions. The claimed savings are enormous: \$16.56M at 2425 Durant alone. If the appeals succeed, labor standards become non-tradeable. If they fail, the density bonus effectively becomes a deregulatory tool for construction labor. Neither outcome is small.

RHNA compliance is uneven, and the No Net Loss trap is emerging. Cupertino is the first city in this dataset to trip the SB 166 wire: its Housing Sites inventory was deemed insufficient in December 2025. The dynamic is structural: cities zone sites for mixed-income development, then approve market-rate projects that consume the sites without delivering the affordable units. The state built enforcement assuming obstruction; it didn't fully account for good-faith compliance meeting infeasible economics. Redwood City, at 29% RHNA completion, is the clear outlier. San Jose's data is the most revealing: two-thirds of entitled tower projects are financially infeasible.

The best ideas are not where you'd expect. San Francisco is building 45-year tax-increment financing districts at unprecedented scale. But Hayward is piloting Accessory Commercial Units (500 sf storefronts in residential garages, no parking required), a land use concept nobody else is attempting. Santa Rosa is permitting Tiny Homes on Wheels exempt from impact fees. Redwood City temporarily cut

inclusionary requirements 25% to pull permits forward. The innovation is distributed, not concentrated in the obvious places.

## 2. State Law Implementation

### SB 79: Transit-Oriented Development

SB 79 takes effect July 1, 2026. It establishes minimum density, height, and FAR standards for housing within half a mile of qualifying transit stops, overriding local zoning where local standards are lower. The law creates a two-tier system: Tier 1 (heavy rail, high-frequency commuter rail) and Tier 2 (light rail, lower-frequency commuter rail, BRT). Cities can adopt exclusions for industrial employment hubs (250+ contiguous acres), historic resources, and low-resource areas, or propose a Local TOD Alternative Plan.

City	Qualifying Stops	Strategy	Key Exclusions
San Francisco	75%+ of parcels	Alternative Plan + exclusions	1,915 industrial parcels permanent; ~32,150 low-resource temporary to Jan 2032
Oakland	48 TOD zones (9 BART, 39 BRT)	S-8 Combining Zone + exclusions	All Tier 1 and Tier 2 low-resource zones; density/FAR >50% zones; historic resources
San Jose	56 stations, ~40K parcels	Industrial hub carve-outs	4,448 acres / 2,051 parcels across 6 employment hubs
Mountain View	5 stops (2 Caltrain, 3 VTA LR)	Implementation Standards + R3 alignment	Historic resources as of Jan 1, 2025; deferring Downtown/Moffett Precise Plans
Palo Alto	3 Caltrain (2 in city)	Under evaluation; 4 approaches	~325 acres affected; weighing TOD Alt Plan vs. state preemption
Santa Clara	Caltrain + VTA LR	Station Area Specific Plan	5,500+ residential units + 2M sq ft commercial in station area plan
Sunnyvale	Caltrain + VTA LR	Advocating SB 722 for mobile home protection	3,862 mobile homes (6.3% of stock) at risk without SB 722

The pattern is clear: cities with extensive existing zoning capacity are using SB 79's exclusion provisions aggressively. Oakland and San Francisco are temporarily shielding low-resource areas (a provision intended to prevent displacement in underserved communities from being used, arguably, as a density cap). San Jose is protecting industrial employment lands. The net effect is that SB 79's binding upzoning will land hardest on mid-density residential areas near transit in cities that lack comprehensive existing entitlements.

### AB 130: CEQA Streamlining and the 30-Day Clock

AB 130 created a statutory CEQA exemption for qualifying urban infill housing (up to 20 acres, minimum 15 du/ac in most Bay Area cities). Projects using this exemption must be approved or denied within 30 days of tribal consultation completion. Failure to act triggers deemed approval. The law also froze new residential building codes through 2031.

In practice, AB 130 is functioning as the default environmental pathway for mid-scale residential projects. Cupertino's 57-unit and 32-unit Dividend Homes projects, Mountain View's 195-unit rowhouse and 460-unit mixed-use developments, Palo Alto's 145-unit Geng Road townhomes, and Sunnyvale's 5-unit townhome project all cite AB 130. Mountain View staff explicitly recommend expanding ministerial approvals for all AB 130-qualifying projects, acknowledging the city's discretion is effectively constrained by the compressed timelines.

> The interaction between AB 130 and historic resources is emerging as a friction point. San Jose staff warn that AB 130's exemptions could allow significant alteration or demolition of historic structures without environmental review, and recommend amending the local definition of demolition specifically for AB 130 projects.

## 3. RHNA Progress and Housing Element Compliance

Every city in this dataset is subject to 6th Cycle RHNA obligations (2023—2031). Progress is tracked by building permits issued, not entitlements. The gap between entitled and permitted units is substantial everywhere, reflecting construction cost barriers, financing gaps, and market conditions that depress conversion rates.

City	RHNA Target	Permitted to Date	% Complete	2025 Permits	Status Note
Fremont	12,897	1,490	11.6%	549	177 ADUs in 2025 (+33% YoY)
Mountain View	11,135	1,867	16.8%	388	4,914 units under entitlement review
Sunnyvale	11,966	1,936	16.0%	216	107 ADUs; Prohousing designation May 2025
San Jose	62,200	~5,190	8.3%	2,629	2/3 of entitled towers financially infeasible
Palo Alto	6,086	624	10.3%	—	73% of permits are above-moderate

City	RHNA Target	Permitted to Date	% Complete	2025 Permits	Status Note
Cupertino	4,588	368	8.0%	111	Sites inventory deemed insufficient Dec 2025
Redwood City	4,588	1,321	29%	490	398 units behind pro-rata; temp IHO incentive

The structural problem is consistent: above-moderate income units are being permitted at reasonable rates, but lower-income categories require subsidy or dedicated affordable projects that are capital-constrained. Cupertino's No Net Loss violation (SB 166) is the sharpest example: approved projects delivered fewer lower/moderate-income units than projected, requiring the city to identify replacement sites within 180 days. This dynamic will intensify as cities approve more market-rate projects that consume Housing Element sites without producing the affordable units those sites were projected to deliver.

## 4. Density Bonus and the Concession Economy

State Density Bonus Law has become the primary mechanism for exceeding local development standards. Across the dataset, virtually every significant housing project (50+ units) uses density bonus waivers and concessions. The law allows developers to request unlimited waivers from development standards that would physically preclude building at the bonus density, and cities bear the burden of proving a waiver would cause a specific adverse impact.

### Scale of Waivers

Project	City	Units	Waivers	Most Significant Deviation
2425 Durant	Berkeley	169	Multiple + 2 concessions	Height: 208 ft vs 90 ft (131% over)
515-545 N Whisman	Mountain View	195	20 waivers + 1 concession	FAR 1.07 vs 1.0; site coverage 39% vs 35%
490 E Middlefield	Mountain View	460	6 waivers + 1 concession	FAR 3.148; 27.5% density bonus (99 units)
2109 Virginia	Berkeley	110	11 waivers + 2 concessions	100% density bonus; height, setbacks, lot coverage
Linda Vista Dr	Cupertino	51	5 waivers + 1 concession	Height 40'7" vs 30'; FAR 136% vs 85%

Project	City	Units	Waivers	Most Significant Deviation
845 Stewart Dr	Sunnyvale	28	16 waivers + 1 concession	Height 41'8" vs 35'; lot coverage 41.7% vs 40%

### The Labor Concession Question

Berkeley's building trades are appealing multiple projects (2425 Durant, 2298 Durant, 2109 Virginia) on the grounds that exemptions from prevailing wage, apprenticeship, and healthcare requirements under the HARDHATS ordinance should not qualify as density bonus concessions. The claimed cost savings are substantial: \$16.56M for 2425 Durant (\$12.96M from prevailing wage alone), \$9.84M for 2298 Durant. Staff in each case recommend denying the appeal, arguing the city cannot make the statutory findings to reject concessions that produce identifiable cost reductions. This is an active legal frontier with significant implications for labor standards in density-bonused projects statewide.

## 5. Affordable Housing: Financing and Mechanisms

Affordable housing financing is fragmenting across an increasingly complex stack of local, state, and federal sources. Cities are simultaneously revising inclusionary requirements (generally downward to improve feasibility), creating new incentive programs, and competing for state grants.

### Inclusionary Housing Adjustments

San Jose is the most aggressive in recalibrating. Staff proposed shifting on-site rental targets from 50% to 60–110% AMI, reducing the affordability term from 99 to 55 years, and creating surplus credits. The Mayor's office counter-proposed retaining 99 years and adding a 7% at 50% AMI alternative. Assemblymember Kalra and resident groups pushed back hard, arguing the shift would reduce deeply affordable housing. Mountain View is updating its BMR program to remove in-lieu fees as a compliance option, replacing them with land dedication, off-site development, or acquisition/preservation. Redwood City adopted a temporary 25% reduction in affordable requirements for projects pulling permits by June 2027.

### Prohousing Incentive Program Grants

Multiple cities are applying for Round 4 PIP grants, leveraging their Prohousing Designations. Alameda: up to \$1M for Day Center relocation. Hayward: estimated \$1.2M for South Hayward Parish emergency shelter. San Francisco: \$1.5M for rehabilitation of 106 units at 835 Turk. These are one-time competitive grants, useful for gap financing but structural solutions.

### Notable Affordable Projects

Project	City	Units	City Investment	Notes
Mary Ave Villas	Cupertino	40	Land (\$7.2M value) for \$1; \$3M loan; fee waivers	19 units for IDD residents; 55-yr restriction
967 Mission	San Francisco	95	\$44.3M loan; \$10.5M operating subsidy	100% affordable senior; 40 ELI units
1939 Market	San Francisco	187	\$35M state loan; \$12.6M transportation grant	100% affordable; LGBTQ+ elders, veterans
Treasure Island IC4.3	San Francisco	150	\$30M state loan; \$15.1M infrastructure grant	100% affordable; electric ferry service
Fremont pipeline	Fremont	756	\$34.85M across 3 projects	Centerville Plaza, Maracor, Canvas
Ashby BART East Lot	Berkeley	248+	\$8M reserved; \$1M predevelopment	35% affordable minimum; 50% goal

## 6. Permitting Reform and Ministerial Approvals

The shift from discretionary to ministerial approval is accelerating across multiple fronts. State law (SB 35, SB 684, AB 130) provides the framework; local implementation determines how much friction remains.

Berkeley adopted by-right approval for qualifying housing on sites identified in previous Housing Elements, requiring only a building permit if 20% of units are affordable. Design review becomes a single non-binding consultation. Berkeley also implemented SB 684 for middle housing infill projects: up to 10 lots and 10 units, ministerial review within 60 days, not subject to CEQA or appeals.

Mountain View is removing Change of Use Permit requirements entirely for nonresidential tenant spaces, eliminating CUP requirements for small-footprint businesses (under 4,000 sq ft), and reducing parking minimums for retail and personal service from 1/180 sf to 1/250 sf. Santa Clara adopted Citywide Objective Design Standards for multi-family projects, codifying verifiable standards that bypass subjective review.

Santa Rosa is creating a Director-level CUP process for administrative approval without public hearings, expanding temporary use permits for pop-up retail and interim activation of vacant sites for up to three years. Hayward's Business-Friendly initiative consolidates eight commercial zoning districts into one, permits beer/wine by right in the Central Business District, and introduces Accessory Commercial Units: 500 sq ft commercial storefronts in residential garages, piloted in Downtown and Mission Blvd.

> San Jose directed staff to guarantee approval of Ministerial Projects within 90 days in the Mayor's March Budget Message. This is aspirational rather than binding, but signals the direction.

### ADU Policy Evolution

ADU production continues to climb. Fremont permitted 177 ADUs in 2025 (33% increase YoY). Sunnyvale permitted 107. Berkeley adopted an ordinance allowing separate sale of ADUs as condominiums under AB 1033, with tenant protections for existing renters and an option to waive the Affordable Housing Mitigation Fee if the ADU remains rent-controlled. Berkeley also referred a study of Tiny Homes on Wheels as ADUs. Santa Rosa is permitting Tiny Homes on Wheels (max 400 sq ft, 14 ft height) with a Minor CUP in R-1 zones, exempt from development impact fees.

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## 7. Notable Projects and Development Patterns

### Townhome Dominance

The for-sale townhome product type dominates the suburban pipeline. Mountain View (195 units at N Whisman, 38 at San Leandro Ave), Cupertino (57 and 32 units on Stevens Creek, 51 on Linda Vista), Fremont (24 at Dusterberry), Hayward (83 at Walpert, 58 at Amador), Sunnyvale (28 at Stewart Dr, 5 at Wolfe Rd, 329 at De Guigne), and Santa Clara (6 at Cheeney St) all have active townhome projects. These projects typically produce 15–25% affordable units via density bonus, with the remainder at market rate. They consume Housing Element sites at above-moderate income levels while generating No Net Loss deficits for lower-income categories.

### Builder's Remedy Projects

Palo Alto has the highest concentration of builder's remedy activity. The 145-unit Geng Road project (13% low-income) and the 321-unit 3606 El Camino project (13% low-income base) both invoke builder's remedy, stacking it with SB 330 vesting and AB 130 CEQA exemptions. The 183-unit project at 3781 El Camino uses the same strategy. Builder's remedy limits the city's ability to deny or impose conditions that would render the project infeasible, even where it deviates substantially from local zoning. Cupertino also has multiple builder's remedy projects in its pipeline of 19 major applications totaling ~3,500 units.

### Office-to-Residential Conversion

San Jose expanded its Downtown Residential Incentive Program to include commercial-to-residential conversions, targeting projects like the Bank of Italy, CityView Plaza, and The Security Building (~477 potential units, \$13.6M in subsidies). Phase 1 offers 100% waiver of construction taxes and 50% reduction in parkland fees for the first 500 units. San Francisco's Downtown Revitalization Financing District allocates 100% of incremental property tax from conversion projects back to those projects for 30 years, projecting \$610M in revenue. The Hearst Hotel conversion at 5 Third St received a \$40M incentive (89.3% of new TOT for 20 years). AB 507 (effective July 2026) will require ministerial approval for qualifying adaptive reuse projects statewide.

### San Francisco's Structural Plays

San Francisco is building long-term financing infrastructure at a scale other cities are not. The Stonestown EIFD (up to 3,491 residential units, \$3.124B in projected tax revenue over 45 years), the 3333/3700 California EIFD (1,200 units, \$351M in infrastructure financing), and the Downtown Revitalization Financing District represent a bet on tax-increment financing as the primary mechanism for

closing affordable housing and infrastructure gaps. The city is also halving its real property transfer tax for commercial properties (\$10M+) from 5.5% to 2.75%, signaling a competition for transaction volume over rate maximization.

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## 8. City-by-City Analysis

Each city below is classified as Leading (proactively expanding housing capacity through local initiative), Adapting (implementing state mandates with mixed signals), or Being Compelled (production driven primarily by state enforcement mechanisms). These are analytical judgments based on observable behavior in the agenda data, not evaluations of intent. A city can be compelled on market-rate and leading on affordable simultaneously.

### Alameda (7 items | Adapting)

A city in monitoring mode. The major pipelines (Alameda Point: 1,300 units at 25% affordable; Del Monte: 55 affordable units delivered) were entitled years ago and are progressing through construction phases. The annual development agreement reviews show good-faith compliance: infrastructure accepted, affordable units occupied, fee agreements intact. This is what a mature pipeline looks like when the hard political fights are already won. The \$1M Prohousing grant application and JLL brokerage for 50+ commercial properties signal continued execution rather than new ambition. Alameda started earlier than most and it shows.

### Berkeley (11 items | Leading)

The most important distinction about Berkeley is that it is choosing to build through local political initiative, not being forced by state law. The PITCH rezoning targets 5,700 new units on the Telegraph Ave corridor (8 stories/85 ft) in high-resource neighborhoods, explicitly to further fair housing goals. SB 684 middle housing, by-right approval for Housing Element sites with 20% affordable, and ADU condominium sales were all locally initiated. That said, Berkeley also generates more friction than any comparable city. Three density bonus appeals from the building trades on labor concessions (2425 Durant, 2298 Durant, 2109 Virginia) create a live legal question with statewide implications: whether prevailing wage exemptions qualify as density bonus concessions. The 20-story, 169-unit project at 2425 Durant (208 ft vs 90 ft allowed, FAR 14.86 vs 7) tests the outer limits of the density bonus. Berkeley wants to build, but wants to fight about the terms.

### Cupertino (14 items | Being Compelled)

The canary in the No Net Loss mine. Cupertino's Housing Sites inventory was deemed insufficient in December 2025, triggering a 180-day remediation clock. At 368 of 4,588 RHNA units (8%), with 19 major applications totaling ~3,500 units (many using builder's remedy), the city is experiencing what happens when you zone for mixed-income and the market delivers market-rate. However, the compulsion narrative is incomplete. The Mary Avenue Villas project (\$39.2M total cost, land sold for \$1, 40 units with 19 for residents with intellectual disabilities) is locally initiated and genuinely innovative in its target population. Cupertino is being forced on market-rate housing, but its affordable housing work reflects real values.

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### Daly City (5 items | Adapting)

The lightest agenda in the dataset after South San Francisco. Zoning amendments to remove CUP for by-right condos, extend permit expiration times, and clarify building height are genuine streamlining, not performative. The four-lot subdivision at Crocker Ave (8 units including 4 ADUs) is modest but represents the kind of incremental infill that scales across a city. Entertainment Zone program adopted under SB 969. Insufficient data to assess trajectory, but nothing in the agenda signals resistance.

### Fremont (5 items | Adapting)

Solid execution without fanfare. 549 units permitted in 2025. 177 ADUs (33% increase YoY, nearly triple the annual projection of 60). \$34.85M committed to three affordable projects (756 units). The shelter crisis declaration (through 2036) to expedite emergency housing is proactive, not reactive: Fremont has 807 homeless individuals, 76% unsheltered, and is building legal infrastructure to move faster. The 336-unit Capital Development project (118 affordable) requiring street vacations shows a city willing to restructure its physical layout for housing. On the edge of the Leading tier; the ADU numbers alone suggest a community that has internalized the program.

### Hayward (7 items | Adapting)

Home to the most genuinely novel land use idea in the entire dataset. Accessory Commercial Units: 500 sq ft commercial storefronts permitted in residential garages in Downtown and Mission Blvd corridor. No parking required. Operating hours 7am to 9pm. Barber shops, retail, take-out coffee. This is a zoning concept nobody else in the Bay Area is trying, and it directly addresses the death of neighborhood-serving commercial by legalizing it at the residential parcel level. The broader Business-Friendly project (consolidating 8 commercial zones into 1, permitting beer/wine by right in the CBD, new Limited Entertainment Permit) is substantive reform. On the housing production side, 83-unit and 58-unit townhome projects are in pipeline, \$1.2M Prohousing grant application submitted. Massage establishment CUPs tightened due to trafficking concerns, and data centers now require CUP in industrial zones, both showing a city that differentiates between streamlining and deregulation.

### Mountain View (20 items | Leading)

Highest item count and the most analytically honest planning department in the dataset. Staff's SB 79/AB 130 memo essentially says: our discretion is limited, the timelines are binding, we should formalize ministerial approval for everything that qualifies. Most cities frame state preemption as something to manage; Mountain View accepts it and rettools. The R3 Zoning District overhaul (new minimum densities of 13.2 to 55 du/ac, live/work authorization, ground-floor commercial in R3-D, lot consolidation incentives) is the most comprehensive local rezoning in this dataset. The 460-unit mixed-use at E Middlefield includes a city option to master-lease 60 additional units for affordable housing, a novel mechanism. BMR program updated to remove in-lieu fees and reduces parking minimums. Small business streamlining eliminates CUPs for spaces under 4,000 sf. 16.8% RHNA with 4,914 units under entitlement review. The cost: deferring Downtown and Moffett Precise Plans because state law made them obsolete mid-process. That's the trade.

### Oakland (7 items | Adapting)

The SB 79 implementation via S-8 Combining Zone is the most aggressive exclusion strategy after San Francisco: all 6 Tier 1 and all 39 Tier 2 TOD zones in low-resource areas qualify for temporary

exemption. But read this through Oakland's fiscal crisis and staffing constraints. The city may be maximizing exclusions not because of policy preference but because it lacks the planning department capacity to manage implementation across 48 TOD zones simultaneously. The S-14 Housing Sites update (allowing CUP for non-housing if no net loss of capacity) is pragmatic. The \$80.5M in AHSC grants for two affordable projects (184 units) plus transportation infrastructure is significant state funding flowing to a city that needs it. Anti-Displacement Strategic Action Plan forthcoming. Staff disagreed with the Planning Commission on whether to remove exclusions for Ashby, MacArthur, and Rockridge BART stations, a tension worth watching.

### Palo Alto (15 items | Being Compelled (market-rate) / Leading (affordable))

A split personality, and the nuance matters. On market-rate housing, Palo Alto is being dragged by builder's remedy. The 145-unit Geng Rd, 321-unit 3606 El Camino, and 183-unit 3781 El Camino all invoke builder's remedy + SB 330 + AB 130, a legal stack that effectively locks the city out of meaningful review. 624 of 6,086 RHNA permitted (10.3%), with 73% at above-moderate income. But on affordable housing and tenant protection, the story is different. The city committed \$5M to 3001 El Camino Real affordable housing and executed an exclusive agreement with Alta Housing for 100% affordable on Lot T. Staff's recommendation to defer rent stabilization is analytically defensible (Costa-Hawkins limits scope; TPA provides existing coverage; a local program would cost \$2M/year with narrow impact). The \$371K comprehensive fee study signals a city preparing its financial infrastructure for sustained production. SB 79 affects 325 acres across 4 possible implementation approaches, still under evaluation. The bird-friendly design ordinance is a tell: this is a city that will regulate where it can choose to.

### Redwood City (4 items | Leading)

The best RHNA performer in the dataset by a wide margin: 29% complete (1,321 of 4,588 units), nearly double the next-best cities. This demands the obvious question: why? The answer appears to be pragmatic flexibility. When market conditions threatened to stall the pipeline, Redwood City adopted a temporary 25% reduction in affordable housing requirements for projects pulling permits by June 2027, projected to advance 791 units including 120 affordable. That's the opposite of what most cities do under production pressure (raise requirements to extract more from fewer projects). The Greater Downtown Area Plan shows forward planning with distinct districts already integrating SB 79. Sea level rise protection initiated for Redwood Shores. Tenant Protection Ordinance effective January 2026. Only 4 items in our sample, which may mean we're undercounting their activity, or may mean they've built the machine and it runs without constant legislative intervention.

### San Francisco (30+ items | Leading)

Operating at a structural scale no other city in this dataset approaches. The SB 79 Alternative Plan (1,915 permanent industrial exclusions, 32,150 temporary low-resource exemptions) is the most complex local implementation. But the real story is financing infrastructure. Two EIFDs (Stonestown: 3,491 units with \$3.1B projected revenue over 45 years; 3333/3700 California: 1,200 units, \$477M) and a Downtown Revitalization Financing District (\$610M projected, 100% of incremental property tax returned to conversion projects for 30 years) represent a bet that tax-increment financing is the mechanism for closing the affordable housing and infrastructure gap. The RPTT halved for commercial \$10M+ signals competition for transaction volume over rate maximization. Simultaneously: 'Family' redefined as 'Household' (removing unrelated-person caps), historic building adaptive reuse expanded citywide with temporary 12-year use allowances, formula retail restrictions being reduced, demolition protections

strengthened with 42-month relocation assistance. AHSC awards: \$47.6M for 1939 Market (187 units, LGBTQ+ elders/veterans), \$45.1M for Treasure Island (150 units + electric ferry). Potrero Yard: \$1.4B over 30 years. San Francisco's agenda is simultaneously the most progressive (tenant protections, cultural districts) and the most market-oriented (RPTT cuts, EIFD structures). That's not contradiction; it's a city that has internalized the new regime.

### San Jose (15 items | Adapting)

The most revealing dataset about feasibility in the Bay Area. Largest RHNA target (62,200 units), 8.3% complete. Two-thirds of entitled tower projects are financially infeasible. The MHIP has moved 1,444 units from entitlement to construction at ~\$15K/unit subsidy, but the city faces a \$56M General Fund shortfall. The IHO fight is the dataset's clearest example of the affordability-feasibility tension: staff proposed shifting from 50% to 60-110% AMI to improve project economics; Assemblymember Kalra and resident groups pushed back hard on equity grounds; the Mayor's office counter-proposed retaining 99-year terms but adding a 7% at 50% AMI alternative. Everyone is partially right and nobody has a clean answer. SB 79 industrial exclusion (4,448 acres across 6 hubs) is substantial. Downtown conversion program expanded with tiered incentives. The mobilehome rent ordinance fight (10% vacancy increase, opposed by HCDC and residents, capital improvement pass-throughs withdrawn under pressure) reveals a city where affordability politics constrain market-based solutions even when the math says they're needed. Historic resource analysis for AB 130/SB 79 is one of the few in this dataset that confronts the demolition-by-alteration loophole.

### Santa Clara (10 items | Adapting)

Positioning for a large-scale transformation via the Station Area Specific Plan (5,500+ residential units, 2M sf commercial), but not yet building. Objective Design Standards adopted for multi-family (Ordinance 2085), codifying verifiable standards for streamlined review. The SB 79 study session and 2025 housing legislation update show a Planning Commission that is tracking state law carefully. The 6-unit Cheeney St townhome with 1 affordable is small but indicates market interest in infill. The real test comes when Station Area Plan projects start filing applications. Santa Clara has the zoning infrastructure but hasn't yet been tested by the pipeline volume that Mountain View and Sunnyvale are processing.

### Santa Rosa (10 items | Adapting)

Two stories here, and the report's first version missed the important one. The CUP streamlining (Director-level administrative process, expanded temporary use permits for pop-up retail and 3-year interim activation of vacant sites) is genuinely innovative permitting reform. Housing Element implementation brings Tiny Homes on Wheels (400 sf max, exempt from impact fees), farmworker housing categories, and residential care facility updates. But the South Santa Rosa Specific Plan (1,900 acres, 5,000+ units across 3 alternatives) contains the most explicit equity tension in the entire dataset. Public comment called the plan a 'Trojan Horse,' criticized the lack of Spanish translation for the survey and report (in an area that is 53.5% Hispanic/Latino with median household income of \$60,700), demanded a hybrid alternative that would reduce density in low-income neighborhoods and redistribute it to higher-resource areas, and accused the city of 'yellow zoning' (low-density single-family) in the Todd Creek annexation. This is the displacement-vs-production conflict laid bare, with annexation politics layered on top. Separate from the plan: Lago Fresca 50-unit appeal denied, Benton Veterans' Village ownership transfer preserved 7 affordable units.

## South San Francisco (2 items | Insufficient Data)

Only two items in this sample: a \$206.5K contract with Hello Housing for ADU technical assistance (feasibility through construction admin for 171 households). That's a real program delivering real services, but we cannot assess South San Francisco's overall housing posture from this data. The ADU technical assistance model is worth noting: full-service support from feasibility to lease-up is more comprehensive than most cities offer and addresses the information/capacity gap that prevents homeowners from building.

## Sunnyvale (14 items | Leading)

Arguably the best alignment between stated policy and revealed behavior in the dataset. 16% RHNA completion (1,936 of 11,966), tied with Mountain View for the best rate after Redwood City's 29% outlier. Prohousing designation earned May 2025. \$18M NOFA released January 2026. Moffett Park Specific Plan adopted. Village Center densities increased. Entire zoning code being retooled. Lower Density Residential Objective Design Standards quietly liberalizing single-family development: lot coverage from 45% to 50%, FAR caps removed, more projects shifted to staff-level review. 329-unit De Guigne Dr and multiple other townhome projects moving through Planning Commission without political detonations. What distinguishes Sunnyvale is the mobile home question. 3,862 homes in 13 parks (6.3% of housing stock) represent naturally occurring affordable housing at a scale that dwarfs most inclusionary output. SB 722 advocacy to protect these residents from SB 79 displacement is not routine legislative positioning; it's a city defending its most vulnerable housing stock from the same state laws it's otherwise embracing. The Budget Stabilization Fund declining from \$114M to \$16M by FY28/29 and a 4,700-location sidewalk backlog reveal real infrastructure constraints. The March 24 agenda (inclusionary increase + BMR fee update) is worth watching: raising requirements when market conditions are marginal, as San Jose's feasibility data next door confirms, could stall the pipeline. Redwood City went the opposite direction. Sunnyvale's approach is procedural, quiet, and consistently productive. Don't mistake calm for passive.

## 9. What to Watch

July 1, 2026: SB 79 takes effect. The single most consequential date. Cities that have not adopted exclusions, alternative plans, or implementation ordinances will have state standards preempt their local zoning. Watch for last-minute exclusion adoptions and the first wave of projects filed under SB 79 standards. The cities most exposed are those with qualifying transit stops and no adopted response: any gap between July 1 and local ordinance adoption creates a window where developers can file under pure state standards.

Berkeley density bonus labor appeals. The most consequential local proceeding in this dataset, with statewide implications. The building trades' challenge to prevailing wage/healthcare concessions (2425 Durant: \$16.56M claimed savings; 2298 Durant: \$9.84M) will determine whether labor standards are tradeable commodities under density bonus law. If the appeals succeed, it reprices every market-rate density bonus project in California. If they fail, the density bonus becomes a deregulatory tool for construction labor, not just zoning standards.

Cupertino's 180-day No Net Loss deadline. Due approximately June 2026. This is the preview of a structural problem that will hit every suburban city with Housing Element sites zoned for mixed-income development. The state enforcement framework assumed cities would obstruct; it did not fully account for cities that comply in good faith while the market refuses to produce affordable units without subsidy. Watch whether Cupertino's remediation approach (upzoning vs. new site identification) becomes a template or a cautionary tale.

The entitlement-to-construction gap. San Jose's data makes this explicit: two-thirds of entitled tower projects are financially infeasible. But the gap exists everywhere. Every city in this dataset has a large backlog of entitled-but-unbuilt projects. RHNA tracks permits, not entitlements. The question nobody is answering: at current construction costs and interest rates, how much of the entitled pipeline will ever get built without subsidy? And if the answer is 'not much,' what does that mean for a state enforcement framework built on permitting deadlines?

Sunnyvale's inclusionary increase timing. March 24, 2026 agenda: inclusionary housing increase + BMR fee update. Redwood City went the opposite direction, temporarily cutting requirements 25% to pull permits forward and is outperforming the region at 29% RHNA. Sunnyvale raising requirements when market feasibility is marginal (per San Jose's adjacent data) is a genuine policy bet. If it works, it proves that well-run cities can extract more affordability from a willing market. If it stalls the pipeline, it's a case study in how good intentions interact with bad economics.

San Francisco EIFD judicial validation. Both Stonestown and 3333/3700 California EIFDs are subject to validation actions. These are not routine. If upheld, tax-increment financing becomes a replicable model for infrastructure and affordable housing funding statewide. If challenged successfully, the financing structure for nearly 5,000 planned units and billions in projected revenue is at risk. No other city in this dataset is attempting anything at this scale.

Hayward's Accessory Commercial Unit pilot. Small-footprint commercial in residential garages is either a footnote or the beginning of a meaningful land use shift. If the pilot generates viable businesses without neighborhood opposition, it provides a model for reintroducing neighborhood-serving commercial to car-dependent residential areas without rezoning. Watch for uptake rates, business types, and whether other cities adopt similar programs.

Santa Rosa's South Santa Rosa Specific Plan equity dynamics. The public comment record is the most explicit displacement-vs-production conflict in this dataset. The demand for a hybrid alternative that redistributes density away from low-income Latino neighborhoods toward higher-resource areas directly challenges the assumption that density near transit is equity-positive when the transit-adjacent communities are already cost-burdened. How Santa Rosa navigates this will signal whether California's housing production framework can accommodate community-driven equity concerns, or whether production targets override distributional questions.

AB 130 deemed approvals. The 30-day approval clock with automatic deemed-approval for non-action is largely untested. The first project deemed approved because a city missed the deadline will change how every planning department in the state prioritizes its queue. It will also test whether deemed approvals are legally durable or subject to challenge. The most likely venue: a city with constrained staff capacity processing multiple AB 130 applications simultaneously.

Affordable Rent Act (2026 session). Two-year bill from 2025, backed by ACCE, facing heavy real estate opposition. Would impose statewide rent caps beyond existing TPA protections. Palo Alto's staff analysis provides useful baseline data: 62.85% of market-rate units reported no rent change in 2025, 25.57% had

increases of 0-5%, 10.94% had increases above 5%. Whether that distribution justifies additional regulation is the political question.

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