



Government affairs update for the week of August 16, 2026

C.A.R.- Backed Group Sues Cities Over Housing Law

A California Association of REALTORS® (C.A.R.)-backed housing advocacy group is taking legal action to enforce a new state law intended to increase housing near major public transit.

According C.A.R., [Californians for Homeownership](#) filed lawsuits this week against the cities of San Francisco, San Diego and Montebello, alleging they are improperly limiting housing development allowed under Senate Bill 79.

SB 79 became law in 2025 and was intended to make it easier to create housing near major transit stations.

The lawsuit against San Francisco challenges the city's effort to exclude certain areas by designating them as "industrial employment hubs" and alleges the city also is improperly restricting use of the State Density Bonus Law.

Californians for Homeownership was established by C.A.R. to enforce state housing laws and address barriers to housing production.

How this impacts your business: Other cities blocking residential development allowed by SB 79 may change their practices pending the outcome of this litigation. That could Increase the housing supply and help improve affordability, support economic growth and create more transaction opportunities.

If you have any questions about Bay East advocacy activities or any government-related real estate issues you want Bay East to research, contact [David Stark](#), Bay East Chief Public Affairs and Communications Officer.



Located at 7021 Koll Center Pkwy, Pleasanton, CA, 94566 - 925.730.4060

[Unsubscribe](#) | [Manage Preferences](#)