

half mile walking distance of either a high-quality transit corridor or a major transit stop, or if there is a car share vehicle located within one block of the parcel.

- 4) Authorizes a local agency to deny a housing project otherwise authorized by SB 9 if the building official makes a written finding based upon the preponderance of the evidence that the housing development project would have a specific, adverse impact upon health and safety or the physical environment and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact
- 5) Requires a city or county to include the number of units constructed and the number of applications for lot splits under this bill, in its Annual Progress Report (APR) to the Department of Housing and Community Development (HCD).
- 6) Requires a city or county to ministerially approve a parcel map for an urban-lot split only if the local agency determines that the parcel map for the urban-lot split meets specified requirements.
- 7) Provides that a local government shall not be required to permit more than two units on a parcel.
- 8) Requires an applicant for an urban-lot split to sign an affidavit stating that the applicant intends to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of the urban-lot split.

This bill:

- 1) Requires the seller of an urban-lot split under SB 9 to disclose, in writing, any owner occupancy requirement for three years after the conveyance of an urban-lot split if the seller is the managing or authorized member of a limited liability company (LLC) or the trustee of a living trust.
- 2) Adds the option for an applicant of an SB 9 urban-lot split to select a different owner occupancy requirement, which shall be imposed as a condition of approval of a parcel map for the lot split, as follows:
 - a) The applicant shall require, as a condition of sale to the homebuyer, that one of the units on each parcel of the lot split remain owner-occupied for three years, beginning on the date the parcel or unit is conveyed.

- b) The local agency must record a notice of the owner-occupancy requirement as a condition of ministerial approval of the parcel map for the lot split.
 - c) The parcel or unit being purchased shall be subject to a recorded deed restriction imposing the owner-occupancy requirement on any subsequent homebuyer who purchases the parcel or unit during the three-year period.
 - d) The homebuyer shall record a notice of owner-occupancy as a condition to acquiring title to a parcel or unit. The notice shall state that the homebuyer, and any subsequent homebuyer who purchases the parcel or unit during the three-year period, is required to occupy the parcel or unit or designate the parcel or unit as their primary residence.
- 3) Requires all applicants for SB 9 urban-lot splits to sign an affidavit, under penalty of perjury, stating that they intend to comply with the owner occupancy requirement.
 - 4) Allows a natural person who is the managing or authorized member of an LLC or the trustee of a living trust to be the applicant for an urban-lot split under SB 9.
 - 5) Provides that an applicant for an urban-lot split who is the managing or authorized member of an LLC who violates the SB 9 owner occupancy requirements shall be liable for civil penalties.
 - 6) Provides that an applicant for an urban-lot split who is the managing or authorized member of an LLC is not eligible to be an applicant for a parcel within the boundaries of the 2025 Palisades or Eaton Fires in Los Angeles County.
 - 7) Provides that a local agency shall not adopt or impose any requirement, process, practice, or procedure, or undertake any course of conduct, that applies to a project solely or partially on the basis of the project being an SB 9 lot split, including, but not limited to, restricting the eligibility of an applicant for an urban-lot split.
 - 8) Sunsets the provisions of SB 9 that are added by this bill in 2032

Background

SB 9 (Atkins, 2021). In 2021, the Governor signed SB 9 (Atkins, Chapter 162, Statutes of 2021), which allowed up to four homes on lots where currently only one exists. It did so by allowing existing single-family homes to be converted into duplexes; it also allowed single-family parcels to be subdivided into two lots, while allowing up to two units to be constructed on each newly formed lot. According to

the Turner Center, that bill had the potential to allow for the development of nearly 6 million new housing units.

The Turner Center evaluated the use of SB 9 through the end of 2022 (one year from its enacted date of January 1, 2022). Researchers collected data from 13 jurisdictions and found that SB 9 activity was relatively limited. For example, Los Angeles had the most activity, with 211 applications for new units under SB 9 in 2022. The state's other large cities all reported very few applications for lot splits or new units. For example, the City of San Diego reported receiving just seven applications for new SB 9 units in 2022.¹

Despite these initial reports, it is too early to draw any conclusions about SB 9's overall impact, as homeowners and local governments are still learning about the provisions in the bill. Similarly, it took a couple years for accessory dwelling unit application and construction to increase after reforms took effect on January 1, 2017.

Comments

- 1) *Author's Statement.* "California's housing shortage—and the growing homeownership crisis—requires solutions at many scales. SB 9 was designed to enable small, incremental housing production led by homeowners, creating opportunities for more attainable, entry-level ownership in existing neighborhoods. It also allows homeowners to unlock value within their own property that is otherwise inaccessible unless they sell and leave their home. However, implementation has revealed unintended technical barriers that prevent some responsible homeowners from participating, particularly those who use common estate planning tools. AB 2005 clarifies the law, so it works as intended, ensuring these homeowners are not excluded while maintaining strong protections against investor speculation. In my district, I still need to rent because the average price of a first-time home exceeds \$ 1 million. AB 2005 can help create greater equity in homeownership, removing barriers that unlock small-scale housing production, expand access to entry-level homeownership, and support long-term wealth building for California families who are increasingly being priced out of the market."
- 2) *SB 9: Owner-occupancy requirements.* SB 9 requires that an individual seeking to exercise an urban-lot split agree to occupy one of the units on the resulting lot split for three years. The inclusion of an owner-occupancy

¹Muhammad Alameldin and David Garcia, "State Law, Local Interpretation: How Cities Are Implementing Senate Bill 9," *Turner Center for Housing Innovation*, June 8, 2022, accessed April 9, 2025, <https://turnercenter.berkeley.edu/research-and-policy/state-law-local-interpretation-senate-bill-9/>.

requirement was debated as the policy of streamlining urban-lot splits initially went through the Legislature. Prior to SB 9's passage, SB 1120 (Atkins 2020) would have authorized urban-lot splits in a very similar manner. SB 1120 passed in both the Senate and the Assembly without any owner-occupancy requirements but ultimately failed passage due to legislative deadlines. Senator Atkins reintroduced the urban-lot split concept in SB 9, which moved through both houses of the Legislature with a permissive owner-occupancy requirement that mirrored the requirements of Accessory Dwelling Unit (ADU) law that existed at the time. Specifically, early versions of SB 9 only temporarily authorized local agencies to impose owner-occupancy requirements on individuals executing urban-lot splits. Ultimately, the permissive authority was amended into a permanent requirement that local agencies impose 3-year owner-occupancy requirements on individuals executing urban-lot splits.

- 3) *SB 9 and ADU law.* ADU law and SB 9 are complementary strategies aimed at increasing density on single-family parcels, but they operate under different frameworks. Under current law, ADUs may be used in combination with SB 9 so long as the total number of units built on each parcel created through an urban-lot split does not exceed two units. In practice, this allows the two laws to work in concert to create various combinations of up to four units on an existing single-family parcel. For example, the duplex provisions of SB 9 could be used with ADU law to create four units (a duplex and two ADUs) on an existing lot. Alternatively, the duplex and subdivision provisions of SB 9 could be used in concert with ADU law to convert an existing parcel into two parcels with two units (either a two duplexes or two primary unit and two ADU) on each of the new parcels. The owner-occupancy provisions of SB 9 are only triggered under the second scenario where an urban-lot split occurs. An applicant that is using only the duplex provisions of SB 9 and ADU law to develop four units on an existing parcel that is not subdivided is not subject to the owner-occupancy requirements that are triggered when a lot is split.

SB 9 allows an applicant to build four units on an existing parcel, the applicant can reside on the parcel and lease several of the units, lease out all four units, or sell the entire parcel as one single property (individual buildings on an undivided parcel of land cannot be sold separately unless the jurisdiction allows for separate conveyance of ADUs) without triggering any owner-occupancy requirements. The same applicant could subdivide the original lot and build two units on each lot, but only if they agree to reside in one of the four units for a period of three years. In practice the same architectural and engineering design could be used for either version of the project (four units on one parcel, or four units across two parcels). Whether the recorded map archived at the county assessor's office shows the buildings occupying one

parcel or two does not change the physical appearance or character of the development.

This bill allows for an applicant to sell both properties created by an urban-lot split, if they require the purchasers of each property to occupy the property as their primary residence. This alternative requires a higher degree of owner occupancy than SB 9 currently requires. SB 9 currently allows an urban-lot split to occur if one of the properties is occupied by the applicant that subdivided the original parcel, the second parcel may be leased or sold to another individual or entity. This bill allows an urban-lot split applicant to either reside in a unit on one of the newly subdivided properties, or to sell both properties to separate buyers that agree to occupy one of the units on each parcel as their principal residences. The alternative created by this bill could foster higher degrees of homeownership than existing law allows or requires under SB 9.

- 4) *Opposition.* The California Association of Realtors argues that AB 2005 opens SB 9 to abuse by large-scale speculative development, and that speculative investors will view penalties associated with violating the owner-occupancy provisions of AB 2005 as the cost of doing business.
- 5) *Double Referral.* This bill was also referred to the Local Government Committee where it was approved by a 5-1 vote on June 10, 2026.

Related/Prior Legislation

SB 677 (Wiener, 2025) — would have, among other provisions, removed the owner occupancy provisions from SB 9. *This bill was amended to deal with another subject matter.*

SB 450 (Atkins, Chapter 286, Statutes of 2024) — amended the process established by SB 9 (Atkins), Chapter 162, Statutes of 2021 for the ministerial approval by a local agency of a duplex in a single-family zone and the lot split of a parcel zoned for residential use into two parcels.

AB 1033 (Ting, Chapter 752, Statutes of 2023) — allows cities and counties to allow ADUs to be sold separately or conveyed from the primary residence as condominiums.

SB 9 (Atkins, Chapter 162, Statutes of 2021) — required ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two parcels (lot split), or both.

SB 1120 (Atkins, 2020) — would have required ministerial approval of duplexes and specified subdivision maps. *This bill died on the Senate Floor (Unfinished Business).*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, June 24th, 2026.)

SUPPORT:

Abundant Housing Los Angeles
Bay Area Council
California Yimby
Casita Coalition
Circulate Planning & Policy
Circulate Planning & Policy
East Bay Yimby
Fieldstead and Company, INC.
Grow the Richmond
Housing Action Coalition
Mountain View Yimby
Napa-solano for Everyone
New California Coalition
Northern Neighbors Sf
Peninsula for Everyone
San Francisco Yimby
San Jose Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
South Bay Yimby
SPUR
Student Homes Coalition
Sv@home Action Fund
The Two Hundred for Homeownership
Ventura County Yimby
Yes! in Redwood City
Yimby Action
Yimby Los Angeles

Yimby Monterey Peninsula
Yimby Slo

OPPOSITION:

California Association of Realtors
City of Belmont
United Neighbors

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