
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair
2025 - 2026 Regular

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PLANNING AND ZONING: HOUSING DEVELOPMENT: STREAMLINED APPROVAL AND SUBDIVISIONS

Makes several changes to the permitting and subdivision processes for small-scale housing developments permitted pursuant to state law.

Background

Planning and approving new housing is mainly a local responsibility. The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area the plan covers. Cities’ and counties’ major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

Subdivision Map Act. The Subdivision Map Act (or Map Act) governs how local officials regulate the division of real property into smaller parcels for sale, lease, or financing. Cities and counties adopt local subdivision ordinances to carry out the Map Act and local requirements. City councils and county boards of supervisors use the Map Act to control a subdivision's design and improvements. Local subdivision approvals must be consistent with city and county general plans.

Under the Subdivision Map Act, cities and counties can attach scores of conditions. The Map Act allows local officials to require, as a condition of approving a proposed subdivision, the dedication of property within a subdivision for streets, alleys, drainage, utility easements, and other public easements and improvements. Once subdividers comply with those conditions, local officials must issue final maps. For smaller subdivisions that create four or fewer parcels, local officials usually use parcel maps, but they can require tentative parcel maps followed by final parcel maps. The Map Act also constrains the dedications and improvements that local cities and counties can require as a condition of a subdivision of four or fewer lots to only the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created.

Small lot subdivisions. One strategy to reduce the cost of housing is to facilitate the construction of “missing-middle” housing types that accommodate more units per acre, but are not inherently expensive to build. This includes medium-density housing, such as duplexes, fourplexes, garden apartments, town homes, and others. In addition to being land-efficient while being less expensive to build, these housing types offer several benefits, including:

- Climate and environmental benefits because they are infill projects with small unit sizes, resulting in fewer vehicle miles traveled and less intensive energy and water usage by residents than single-family homes on larger lots;
- Potentially lower sales prices because they are smaller and use construction techniques that are less costly than those used for larger structures. Insurance requirements are also lower for small lot developments because each unit is insured separately, rather than through a common interest development. The lower cost of these units can open up areas that lower-income households and people of color have historically been excluded from, and allow those individuals to begin building wealth through property ownership; and
- Expanding the pool of homebuilders, since the construction and financing are comparatively less complicated than they are for larger mid- and high-rise structures. For example, a 2023 report by the Turner Center for Housing Innovation on the City of San Diego’s Accessory Dwelling Unit (ADU) bonus program, which is designed to produce missing middle housing, found, “... smaller scale builders are more likely to be led by women or people of color, which was one of the reasons why the City initially pursued this small-scale infill Program.”

Senate Bill 9 (Atkins, 2021). SB 9 requires cities and counties to permit ministerially either or both of the following, as long as they meet specified conditions:

- A housing development of no more than two units (a duplex).
- The subdivision of a parcel into two approximately equal parcels (urban lot split).

To be eligible, a development or parcel to be subdivided must be located within an urbanized area or urban cluster, as defined by the United States Census and cannot be located on any of the following:

- Prime farmland or farmland of statewide importance;
- Wetlands;
- Land within the very high fire hazard severity zone, unless the development complies with state mitigation requirements;
- A hazardous waste site;
- An earthquake fault zone;
- Land within the 100-year floodplain or a floodway;
- Land identified for conservation under a natural community conservation plan, or lands under conservation easement;
- Habitat for protected species; or
- Specified kinds of historic sites.

SB 9 requires a city or county to permit a housing development containing no more than two units ministerially in single family zones if the development meets certain conditions, including the requirements on eligible parcels above. A development can include adding one unit to an existing unit, or constructing two new units.

SB 9 also requires a city or county to ministerially approve or deny a parcel map or a tentative and final map for an urban lot split that meets specified requirements. In addition to the requirements for eligible parcels that apply to both duplexes and urban lot splits, the urban lot split must meet the following requirements:

- The parcel map subdivides an existing parcel to create two new parcels of approximately equal size, such that one parcel cannot be smaller than 40 percent of the size of the original lot;
- Both newly created parcels are no smaller than 1,200 square feet, unless the local agency adopts a smaller minimum lot size;
- The parcel being subdivided is located within a residential zone;
- The proposed lot split would not require demolition or alteration of rent-restricted housing, housing where an owner has exercised their rights under the Ellis Act within the past 15 years, or housing that has been occupied by tenants in the past three years; and
- The parcel being subdivided was not previously created through an urban lot split, and none of the adjoining parcels were created by an urban lot split and owned by the same owner or anyone working in concert with the owner.

SB 9 allows a city or county to approve the lot split only if it conforms to all applicable objective requirements of the Map Act, unless otherwise specified.

In combination, SB 9's provisions allow up to four units to be built in areas where local zoning currently only allows one home.

Owner-occupancy requirements. Among other conditions, SB 9 requires that an applicant for an urban lot split submit a sworn affidavit to the city or county 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. It also prohibits a local agency from imposing other owner occupancy standards.

Because housing developers focus on selling properties to other owners after they complete construction, SB 9's owner-occupancy requirement effectively prohibits anyone other than an owner-occupant from building the maximum of four units allowed by the law.

Starter Home Revitalization Act. To further facilitate missing middle housing, SB 684 (Caballero, 2023) enacted the Starter Home Revitalization Act (SHRA), which established ministerial approval processes for small lot subdivisions on lots zoned for multi-family use. SB 684 requires cities and counties to ministerially approve the subdivision of a lot into up to 10 parcels—and to ministerially approve housing projects with 10 or fewer *total* units across those parcels.

To be eligible, the project must meet a list of conditions, including:

- The lot is no larger than 5 acres and located on an infill site in a city or in an urban area in a county with a population greater than 600,000;
- The resulting parcels are at least 600 square feet in size;
- The units are no larger than 1,750 square feet in size, on average;

- The development is not located in an environmentally sensitive area and does not require the demolition or alteration of specified types of housing, including affordable housing and housing occupied by tenants within the past five years; and
- The development complies with all other objective requirements imposed by the local agency that do not conflict with the law, including subdivision map act requirements and local inclusionary housing requirements; and
- The project is connected to a public water system and municipal sewer system.

Local governments can impose objective requirements on small lot subdivisions, but cannot impose standards that:

- Physically preclude a project being built to densities that allow housing presumed to be affordable to lower-income households (in most cases, 30 units/acre);
- Require a setback between units;
- Require more parking or greater setbacks than certain limits;
- Limit the floor-area ratio for these projects to less than specified amounts; and
- Apply requirements to these projects on the basis that they are permitted under state law.

SB 1123 (Caballero, 2024) expanded the SHRA to single-family lots, provided that the lot proposed to be subdivided is no larger than 1.5 acres and does not contain any structures, unless those structures are vacant and abandoned.

Most recently, AB 130 (Committee on Budget, 2025) further expanded the sites on which the SHRA could be used by allowing developers to carve off a “remainder parcel” that retains existing land uses or structures, does not contain any new residential units, and is not exclusively dedicated to serving the housing development project. AB 130 excluded the remainder parcel from counting towards the 10-parcel limit in the SHRA.

As builders gain more experience with the SHRA and SB 9, they have identified barriers to further use of these laws to build housing units. The author wants to remove some of those barriers.

Proposed Law

Assembly Bill 2601 requires a city or county to concurrently process an SB 9 or SHRA housing development project with an application for an urban lot split or tentative and final map, as applicable. The bill allows a city or county to:

- Condition a building permit, grading permit, or certificate of occupancy for a proposed housing development upon the recording of the parcel map or final map; and
- Deem a building permit or other permit application incomplete and require revisions to the building permit or other postentitlement permit in response to any comments from any reviewing agencies regarding the parcel map’s compliance with applicable state or local development and building standards.

AB 2601 also allows for the primary dwellings in an urban lot split to be developed or converted to condominiums upon request of the applicant pursuant to existing procedures for establishing condominiums or, if the housing development includes an existing unit, the applicant may request a condominium conversion for that unit pursuant to state and local law.

The bill makes additional technical and conforming changes.

Comments

1. **Purpose of the bill.** According to the author, “This bill proposes to allow developments to be eligible for concurrent review of parcel map splits associated with specified development types, including ADU, condos, and SB 9 splits. By allowing concurrent review of different aspects of a single project, the development may be able to be approved faster, without imposing new deadlines on approving agencies, and provide greater certainty for project financing.”

2. **Planners, make it work.** Cities and counties deal with dozens of mandates every year enacted by the Legislature. Many of these requirements make changes to their procedures for permitting housing. AB 2601 makes another change that reduces local flexibility on permitting by requiring cities and counties to permit parcel maps and the housing units on the new parcels concurrently. While a minor change, it reduces local governments’ ability to balance workload by processing applications in the manner that works best for them. On the other hand, AB 2601’s change could enable more SB 9 or SHRA units to be built faster. Because the time that it takes to develop housing is a significant driver of how much it costs to build, AB 2601 may lower costs to produce these units.

3. **Incoming!** The Senate Rules Committee has ordered a double referral of AB 2601: first to the Committee on Housing, which approved AB 2601 at its June 24th meeting on a vote of 8-1, and second to the Committee on Local Government.

4. **Related legislation.** The Legislature is considering several other measures to modify SB 9 and the Starter Home Revitalization Act, including:

- SB 1116 (Caballero), which the Committee approved at its April 22nd meeting on a vote of 6-0, makes numerous changes related to the Starter Home Revitalization Act. SB 1116 is currently pending in the Assembly Local Government Committee.
- AB 2005 (Ahrens), which the Committee approved at its June 10th meeting on a vote of 5-1, revises the owner-occupancy provisions of the SHRA. AB 2005 is currently pending in the Senate Housing Committee.

Assembly Actions

Assembly Housing and Community Development Committee:	10-0
Assembly Local Government Committee:	7-0
Assembly Floor:	46-14

Support and Opposition (6/26/26)

Support: Abundant Housing Los Angeles
 Bay Area Council
 California Yimby
 Circulate Planning & Policy
 Inner City Law Center
 Southern California Obtainable Housing
 Sv@home Action Fund

Opposition: None Submitted

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