
THIRD READING

Bill No: AB 2601
Author: Lee (D)
Amended: 4/16/26 in Assembly
Vote: 21

SENATE HOUSING COMMITTEE: 8-1, 6/24/26

AYES: Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez, Grayson,
Padilla

NOES: Seyarto

NO VOTE RECORDED: Ochoa Bogh

SENATE LOCAL GOVERNMENT COMMITTEE: 5-1, 7/1/26

AYES: Durazo, Arreguín, Ashby, Cervantes, Laird

NOES: Seyarto

NO VOTE RECORDED: Choi

ASSEMBLY FLOOR: 46-14, 5/4/26 - See last page for vote

SUBJECT: Planning and zoning: housing development: streamlined approval
and subdivisions

SOURCE: Author

DIGEST: This bill makes several changes to the permitting and subdivision
processes for small-scale housing developments.

ANALYSIS:

Existing law, pursuant to SB 9 (Atkins, Chapter 162, Statutes of 2021):

- 1) Requires a city or county to ministerially approve either or both of the
following, as specified:
 - a) A housing development of no more than two units (duplex) in a single-
family zone; or,

- b) The subdivision of a parcel zoned for residential use, into two approximately equal parcels (urban-lot split), as specified.
- 2) Authorizes a city or county to impose objective zoning, subdivision, and design review standards that do not conflict with state standards, as specified.

Existing law, pursuant to the Starter Home Revitalization Act (SHRA):

- 3) Requires a local government to ministerially approve, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets, among others, the following requirements:
- a) The proposed subdivision will result in 10 or fewer parcels and the housing development project on the lot proposed to be subdivided will contain 10 or fewer units.
 - b) The proposed development is located on a lot that meets all of the following sets of requirements:
 - i) The lot is zoned for multifamily residential development or the lot is vacant, as defined, and zoned for single-family residential development.
 - ii) The lot is no larger than five acres and substantially surrounded by qualified urban uses, as defined.
 - c) The parcels created will be no smaller than the following unless the local government allows a smaller minimum parcel size:
 - i) 600 square feet for parcels created by subdividing multifamily parcels.
 - ii) 1,200 feet for parcels created by subdividing vacant single-family parcels.
 - d) The housing units on the lot proposed to be subdivided are one of the following:
 - i) Constructed on fee simple ownership lots.
 - ii) Part of a common interest development.
 - iii) Part of a housing cooperative, as specified.
 - iv) Owned by a community land trust.
 - e) The average total area of floorspace of the proposed units does not exceed 1,750 net habitable square feet.
- 4) Requires a local agency to ministerially consider an application for a project that meets the specified requirements of the Starter Home Revitalization Act.

Existing law, pursuant to the Davis-Stirling Common Interest Development Act:

- 5) Establishes rules and regulations governing the operation of Common Interest Developments (CIDs) and the respective rights and duties of a homeowners association (HOA) and its members. Requires the governing documents of a CID, and any amendments to the governing documents, to be adopted through HOA elections in accordance with specified procedures.

This bill:

- 1) Establishes concurrent processing of ministerial housing development applications and the applicable subdivision map applications for housing developments proposed under SB 9 (Atkins), as well housing developments proposed under the Starter Home Revitalization Act (SHRA).
 - a) Allows, notwithstanding 2), a local agency to condition its issuance of building permits, grading permits, or certificates of occupancy for a proposed housing development upon the applicant first obtaining approval and recording a subdivision map for the lot split.
 - b) Allows a local agency to deem a building permit or other postentitlement permit for a housing development project incomplete and require revisions in response to any comments from the local agency or other reviewing agencies regarding the subdivision map's compliance with applicable state or local development and building standards.
- 2) Authorizes the primary dwellings associated with an SB 9 lot split to be developed or converted as condominiums, including allowing condominium conversion of an existing unit, pursuant to applicable state and local condominium law, including the Davis-Stirling Act.
- 3) Defines "parcel map" for the purposes of SB 9 (Atkins) to mean a parcel map prepared in accordance with the Subdivision Map Act (SMA) and may include a condominium plan if proposed by the subdivider and ultimately approved in accordance with the Davis-Stirling Act, as specified. If the urban lot split includes an existing residential unit at the time of subdivision approval, the subdivider shall complete a condominium conversion consistent with existing state and local law to convey the unit separately.

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 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 2022¹.

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 several years for accessory dwelling unit application and construction to increase after reforms took effect on January 1, 2017.

Ministerial subdivisions for smaller projects. In 2023, the Governor signed SB 684 (Caballero, Chapter 783, Statutes of 2023), which established the SHRA and streamlined small lot subdivisions to help promote their development. The statutory provisions created by that bill require local governments to ministerially approve a parcel map or tentative and final map with 10 or fewer units on sites zoned multifamily that are no larger than five acres and substantially surrounded by qualified urban uses. Projects must meet minimum density requirements and comply with existing setback and height requirements. Units can be no greater than 1,750 net habitable square feet. The project must also comply with any local inclusionary requirements. If the project receives a tentative or parcel map pursuant to this bill, the local agency must issue the building permit based on the approved map under specified circumstances. Two years ago, SB 1123 (Caballero, Chapter 294, Statutes of 2024) revised the statute to expand its scope, most notably extending the streamlining provisions to vacant lots zoned for single-family developments that meet specified conditions.

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/>.

Comments

- 1) *Author's Statement.* "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) *SB 9.* Under SB 9, the total number of units that can be built on a formerly single-family zoned lot is capped at four. Under existing law, accessory dwelling units (ADUs) may be built in combination with SB 9 so long as the total number of units on a lot does not exceed four. Property owners may use both SB 9 and ADUs to achieve the maximum allowed density in a configuration that best suits their site and circumstances, for example, two primary units under SB 9 and one ADU per unit. Furthermore, SB 9 explicitly prohibits the owner of the parcel being subdivided from also subdividing the adjacent parcels under SB 9 in order to limit its applicability to a two-lot, four-unit cap.

This bill requires local agencies to allow concurrent processing of applications for urban lot splits and associated SB 9 duplexes. While this bill allows these approvals to proceed in parallel, it preserves existing sequencing requirements by authorizing local agencies to condition the issuance of building permits, grading permits, or certificates of occupancy on the prior approval and recordation of the parcel map for the urban lot split. This bill also makes targeted changes to facilitate the delivery and sale of small-scale ownership housing. It authorizes the primary dwellings associated with an SB 9 urban lot split to be developed or converted as condominiums, including allowing the conversion of existing units, subject to applicable state and local condominium laws.

- 3) *SB 684/ SB 1123.* SB 684/1123 established a streamlined, ministerial pathway for small-scale housing development on subdivided lots. Specifically, these laws require local agencies to ministerially approve qualifying subdivisions of up to 10 parcels and associated housing development projects of up to 10 units on lots zoned for multifamily or on lots that are vacant and zoned for single-family residential developments. SB 684/1123 projects are required to meet specified objective standards related to site eligibility, density, affordability (if it is located on a site identified for lower-income housing in the most recent housing element), and environmental constraints. The statutes limit local

discretion to objective zoning, subdivision, and design standards, prohibit standards that would physically preclude development at required densities, and impose firm timelines for approval. Together, these provisions are intended to facilitate “missing middle” housing by enabling smaller, by-right projects in urbanized areas.

This bill requires local agencies to allow concurrent processing of subdivision maps and ministerial housing development and building permit applications for projects authorized under SB 684/1123. While this bill allows these approvals to proceed in parallel, it preserves existing sequencing requirements by authorizing local agencies to condition the issuance of building permits, grading permits, or certificates of occupancy on the prior approval and recordation of the applicable parcel map or final map.

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

SUPPORT: (Verified 7/16/2026)

Abundant Housing Los Angeles
Bay Area Council
California Yimby
Circulate Planning & Policy
Southern California Obtainable Housing
Sv@home Action Fund

OPPOSITION: (Verified 7/16/2026)

None received.

ASSEMBLY FLOOR: 46-14, 5/4/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Berman, Bonta, Bryan, Calderon, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patterson, Pellerin, Quirk-Silva, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Solache, Soria, Stefani, Ward, Wicks, Wilson, Rivas

NOES: Boerner, Davies, DeMaio, Dixon, Flora, Gallagher, Jeff Gonzalez, Hadwick, Macedo, Muratsuchi, Ramos, Sanchez, Tangipa, Valencia

NO VOTE RECORDED: Arambula, Bauer-Kahan, Bennett, Caloza, Castillo,
Chen, Ellis, Gipson, Hoover, Irwin, Johnson, Lackey, Patel, Petrie-Norris,
Ransom, Schiavo, Sharp-Collins, Ta, Wallis, Zbur

Prepared by: Hank Brady / HOUSING / (916) 651-4124
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