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**SENATE COMMITTEE ON HOUSING**  
**Senator Jesse Arreguín, Chair**  
**2025 - 2026 Regular**

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**Bill No:** SB 1116 **Hearing Date:** 4/7/2026  
**Author:** Caballero  
**Version:** 4/6/2026 Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Hank Brady

**SUBJECT:** Planning and zoning: housing development projects: subdivisions

**DIGEST:** This bill makes a series of changes regarding the scope of zoning provisions and subdivision provisions of the Starter Home Revitalization Act (SHRA), and voids specified types of covenants that would prohibit SHRA projects.

**ANALYSIS:**

*Existing law, pursuant to the SHRA:*

- 1) 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.
- 2) Provides that a housing development project on a proposed site to be subdivided does not have to comply with any a minimum requirement on the size, width, depth, frontage, or dimensions of an individual parcel created by the development beyond the minimum parcel size.
  - 3) Requires a local agency to ministerially consider an application for a project that meets the specified requirements of the Starter Home Revitalization Act.
  - 4) Requires a local agency to approve or deny an application for a parcel map or a tentative map, or a development application, for a housing development project submitted to a local agency within 60 days from the date the local agency receives a completed application, as specified.
  - 5) Allows a local agency to deny an accessory dwelling unit (ADU) or junior accessory dwelling unit (JADU) on parcels created pursuant to the Starter Home Revitalization Act.

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

- 6) Establishes, within the Davis-Stirling Common Interest Development Act, 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.
- 7) Deems void and unenforceable any covenant, condition, or restriction (CC&R) contained in any deed, contract, security instrument, or other instrument and any provision of a CID governing document, that effectively prohibits or restricts:
  - a) Installation of a solar energy system.
  - b) Installation or use of a video or television antenna.
  - c) Installation of low-water using plants, artificial turf, and other synthetic surface that resembles grass.

- d) Installation or use of an EV charging station within the owner's unit or designated parking space.
- e) Display or affixation of one or more religious items on any entry door frame to a dwelling.
- f) Construction or use of an accessory dwelling unit (ADU) or junior accessory dwelling unit (JADU) on a lot zoned for single-family residential use that meets the requirements of existing law regarding ADUs and JADUs.

**This bill**, as proposed to be amended on April 6, 2026:

*Zoning provisions of the SHRA:*

- 1) Expands the existing restriction on standards that a local government may not impose on SHRA projects. Specifically, a local government may not impose any of the following standards:
  - a) Standards that physically preclude a project from including as many units as the maximum number of parcels that the SHRA allows to be created by subdividing the original lot.
  - b) Standards that physically preclude the development of units with an average floor area of 1750 square feet.
  - c) Standards that prohibit an SHRA development from including additional units or floor area permitted by any objective zoning, subdivision, or design standards that apply uniformly to developments in the zone.
  - d) Setback standards that do either of the following:
    - i) Impose a front setback from the original lot line that exceeds 10 feet.
    - ii) Require internal setbacks between newly created parcels except as required in the California Building Standards Code.
- 2) Establishes that the existing height limits in the SHRA must be based on the physical height of the building and not the number of floors.
- 3) Removes the existing floor area ratio (FAR) standards that apply to SHRA units.
- 4) Declares that the zoning provisions of the SHRA shall be interpreted liberally in favor of producing the maximum number of total housing units.

*Subdivision provisions of the SHRA.*

- 5) Replaces the requirement that lots zoned for single-family residential development are either vacant or only contain structures that are abandoned and uninhabitable with a requirement that the structures must be abandoned *or* untenable, as specified.
- 6) Removes the requirement that lots zoned for multifamily residential are smaller than five acres.
- 7) Replaces the requirement that lots is substantially surrounded by qualified urban uses with a requirement that the lots must meet any of the following criteria:
  - a) Have been previously developed with an urban use.
  - b) At least 75 percent of the perimeter of the lot adjoins parcels with developed urban uses
  - c) At least 75 percent of the area within one-quarter mile radius of the site is developed with urban uses.
  - d) For sites with four sides, at least three of four sides are developed with urban uses and at least two-thirds of the perimeter of the site adjoins parcels that are developed with urban uses.
- 8) Allows the minimum lot size established for multifamily parcels and single-family parcels created through an SHRA subdivision to be met with averaging, specifically:
  - a) Allows parcels created by subdividing existing multifamily residential parcels to be as small as 480 square feet provided that the average size of the new parcels created by the subdivision average at least 600 square feet.
  - b) Allows parcels created by subdividing existing single-family residential parcels to be as small as 960 square feet provided that the average size of the new parcels created by the subdivision average at least 1,200 square feet.
  - c) Requires, where averaging is used to satisfy the minimum lot size requirements, that none of the newly created parcels are more than half the size of the original lot.
  - d) Provides that any remainder parcel designated as a part of an SHRA subdivision shall not count toward the residential density calculation with respect to lot size averages.
- 9) Replaces the existing density requirements that apply to a site proposed for a SHRA development with requirements that the site meet the following:

- a) The base zoning for the site, independent of any remainder parcel, does not allow for more than 15 units, as specified.
  - b) For a site where the local zoning does not specify a maximum number of units, the zoning for the parcel, independent of any remainder parcel, does not allow for more than 26,250 square feet of residential floor area.
  - c) For a site identified to accommodate a portion of the jurisdictions share of the regional housing need for low- or very low-income households, any housing development on the site must create a proportional amount of low- or very low income units as projected in the housing element for the site. These units shall be subject to a recorded affordability restriction of at least 45 years.
- 10) Requires a local agency to approve or deny an application for a final map for SHRA subdivision within 60 days from the date the local agency receives a completed application. Provides that an application shall be deemed approved if the local agency fails to act within 60 days. Requires a local agency that denies an application to return a full set of written comments identifying the deficiencies in the application and a description of how the application can be remedied to the applicant within 60 days of receiving a completed application.

*SHRA Ordinance provisions.*

- 11) Establishes the following requirements for a local agency that elects to adopt an ordinance designed to implement the zoning or the subdivision provisions of the SHRA.
- a) Requires the local agency to submit a copy of the ordinance to HCD within 60 days of adoption.
  - b) Provides that HCD may provide written findings to the local agency indicating whether the ordinance complies with the provisions of the SHRA
  - c) Requires HCD to notify a local agency if provisions of the local agency's ordinance does not comply with the SHRA.
  - d) Requires HCD to provide a reasonable time, but no longer than 30 days for the local agency to respond to HCD's findings.
  - e) Provides that a local agency can take either of the following actions in response to HCD's findings:
    - i) Amend the ordinance to comply with the SHRA; or,
    - ii) Adopt the ordinance without changes, and make findings explaining why the local agency believes the ordinance complies with the SHRA despite HCD's findings.

- f) Requires HCD to notify a local agency that fails to take either of the actions specified in e) above and authorizes HCD to notify the Attorney General that the local agency is in violation of state law.
- g) Deems null and void any ordinance adopted by a local agency intended to implement the SHRA if the local agency:
  - i) Fails to submit a copy of the ordinance to HCD as required in a); or,
  - ii) Fails to respond to HCDs findings pursuant to e) within 30 days.

#### *SHRA Reporting Requirements*

- 12) Requires local agencies to report the following information with respect to SHRA housing development projects.
  - a) The number of applications submitted.
  - b) The location and number of developments approved or denied.
  - c) The total number of building permits issued.
  - d) The total number of units constructed and the income category of those units.

#### *Davis-Sterling Common Interested Development Act Provisions*

- 13) Voids any covenant, restriction, or condition contained in any deed, contract, security instrument or other instrument affecting the transfer or sale of any interest in a planned development and any provision of a governing document (collectively “CID governing documents”) that either effectively prohibits or unreasonably restricts the construction, use, or sale of new homes on a lot that meets the requirements of the SHRA.
- 14) Provides that CID governing documents that merely impose reasonable restrictions on new homes are not voided by the provisions of this bill and specifies that “reasonable restrictions” means restrictions that do not unreasonably increase the cost to construct, sell, effectively prohibit the construction or sale of, or extinguish the ability to otherwise construct and sell, new homes consistent with the SHRA.
- 15) Provides that an active HOA, as defined, that formed before January 1, 2026, that collects regular assessments from its members, may amend its declarations one time to restrict or prohibit the construction of developments authorized under the SHRA for a period of up to 30 years.

## Background

*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.

## Comments

- 1) *Author's Statement.* "California continues to face a severe housing shortage, particularly for entry-level homeownership opportunities. While recent reforms have helped accelerate rental housing production, pathways to homeownership, especially smaller and more affordable homes, remain limited for many Californians. The Starter Home Revitalization Act, enacted through SB 684 (Caballero, 2023), created a streamlined pathway to allow small-lot subdivisions and the construction of missing-middle housing to expand access to homeownership. SB 1116 incorporates lessons learned during SB 684's early implementation. Local interpretations and regulatory barriers have, in some cases, limited the ability of SB 684 to fully deliver the small-scale, ownership-oriented housing it was designed to produce. SB 1116 clarifies key provisions of the law, strengthens oversight, and ensures that local standards cannot undermine the housing production authorized by the statute. By improving implementation of the Starter Home Revitalization Act, this bill helps unlock more small-scale homeownership opportunities and supports California's broader effort to address its housing shortage."
- 2) *Groundbreaking.* This March, a groundbreaking ceremony was held for a project in Campbell. Proponents believe this is the first SHRA project to break ground since the SHRA took effect in 2024. The project is taking advantage of

the SHRA to convert an existing lot into six townhomes. According to the developer, the project was submitted to the city in January of 2025 and received approval eight months later. The project is expected to be completed in 2027 with the price of each home expected to start at \$1.15 million. The median home price in Campbell is \$1.8 million. The project developer indicated that they have 20 similar projects in the pipeline across the Bay Area.<sup>1</sup>

- 3) *Under Construction.* The Legislature has slowly expanded and revised the SHRA every year since its inception in 2023. Two years ago, SB 1123 (Caballero, Chapter 294, Statutes of 2024) expanded the scope of the SHRA to apply to vacant single-family parcels, and last year, AB 130 (Committee on Budget, Chapter 22, Statutes of 2025) allowed a proposal to subdivide a parcel under the SHRA to designate a “remainder parcel” that does not count against the number of parcels that can be created, or factor into the density requirements that applies to the parcels that will be developed with SHRA projects. This bill continues the effort to revise and expand the scope of the SHRA. The sponsors of the bill, California YIMBY, indicate that the changes are largely in response to challenges experienced by developers that are submitting applications for SHRA developments.
- 4) *Single-family parcels.* The original bill creating the SHRA sought to streamline the subdivision and the development of for-sale townhomes on the newly subdivided multifamily and single-family parcels. The provision in SB 684 (Caballero, Chapter 783, Statutes of 2023) that applied to single-family parcels was removed in the Assembly Appropriations Committee and the final version of the bill was limited to multifamily parcels. The following year, SB 1123 (Caballero, Chapter 294, Statutes of 2024), as originally heard in this Committee in April of 2024, would have expanded the SHRA to apply to vacant single-family parcels generally. The Assembly Housing and Community Development Committee noted that the term “vacant” as it related to single-family parcels was undefined, and the bill was amended in that committee to state that: “vacant” means having no permanent structure, unless the permanent structure is abandoned and uninhabitable. The amendments further specified that certain types of housing, generally housing occupied by low-income tenants shall not be considered “vacant.”
- 5) *Abandoned and untenable.* This bill seeks to revisit the issue of allowing SHRA developments on single-family parcels by revising the 2024 definition of vacant to include a parcel where any permanent structure is abandoned *or* “untenable,” rather than abandoned *and* uninhabitable. The sponsors argue

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<sup>1</sup> Ayah Ali-Ahmad, "Campbell Fast-tracks Townhome Development, First in State," KQED, March 7, 2026, <https://www.kqed.org/news/12075689/campbell-fast-tracks-townhome-development-first-in-state>.

that the term “uninhabitable” is vague and subjective and that NIMBY jurisdictions take advantage of the term to prevent projects. The term “untenantable,” as defined in statute, is used to identify the 11 specific conditions for a building to be fit for leasing. Last year the definition was expanded to specify that a tenantable building must include a stove and refrigerator, effectively requiring landlords to include these appliances in any dwelling they lease to tenants.

The lack of a definition for “uninhabitable” in existing law can certainly create scope for abusive interpretations by jurisdictions or neighbors that are opposed to allowing an SHRA development in their area. However, it is not clear that “untenantable” is the right standard. For example, under current law, an abandoned building that is otherwise fit for human habitation would not be eligible for an SHRA development if the building merely lacked a stove. This same building could be considered “untenantable.” The existing standard was negotiated to ensure that streamlined development does not lead to displacement or unnecessary destruction of property. Further, while it is possible that jurisdictions may abuse the existing definition to prevent development, the opposite could also be true. Vesting this power with the state, in-lieu of local governments, would be expensive and unwieldy. Placing it in the hands of a developer could be ripe for abuse. Ultimately, while revisions to the existing language may be warranted, moving forward, the author may wish to continue to engage stakeholders and work with committee staff to refine this definition and strike an appropriate balance.

- 6) *Recalibrating density requirements.* The existing subdivision provisions of the SHRA require a parcel that is identified for subdivision under the SHRA to meet certain criteria. Specifically, if the site is identified for low-income households in the housing element for the jurisdiction where the project is located, the SHRA development must result in at least as many low-income units as projected for the site in the housing element, and the units must be subject to a 45-year deed restriction. For sites that are not identified for low-income households in the relevant local housing element, the SHRA project must achieve at least two-thirds of the density identified for the project site, as specified. These restrictions are intended to ensure that sites identified for low-income housing are not lost to market rate development, and that high density sites are not underdeveloped with small townhome projects.

This bill seeks to simplify the density provisions in two ways. First, it removes the minimum density that that a project must achieve and instead prohibits SHRA projects on parcels that are either zoned to allow more than 15 units, or for sites that do not have zoned density, more than 26,250 square feet of

development. Second, for sites identified for low-income households in the relevant local housing element, an SHRA subdivision must create a proportional amount of low-income housing units as projected for the site in the local housing element. This change could trigger rezoning requirements for the local agency if sites identified for low-income households are underdeveloped.

- 7) *CIDs*. A CID is a form of real estate in which each homeowner has an exclusive interest in a unit or lot and a shared or undivided interest in common-area property. Condominiums, planned unit developments, stock cooperatives, community apartments, and many resident-owned mobilehome parks all fall under the umbrella of CIDs. There are more than 50,000 CIDs in California comprising over 4.8 million housing units, or approximately one-quarter of the state's housing stock. CIDs are governed by HOAs. The Davis-Stirling Common Interest Development Act provides the legal framework under which CIDs are established and operate. In addition to the requirements of the Act, each CID is governed according to the recorded declarations, bylaws, and operating rules of the association, collectively referred to as the governing documents.
- 8) *Restrictions on CID governing documents*. With respect to allowable activities within a CID, state law generally defers to CID governing documents; however, there are several cases where the law imposes limits on CID authority. For example, existing law deems void and unenforceable any CID governing provision that effectively prohibits the construction of an ADU.

This bill voids any CID governing documents that effectively prohibit an SHRA development, unless the CID is associated with an active HOA that collects regular assessments and holds regular board meetings. CID's that are part of an "active" HOA may prohibit SHRA developments for a period of up to 30 years.

- 9) *Ordinance adoption*. The SHRA allows local agencies to adopt ordinances to implement the zoning or subdivision portions of the law. ADU law similarly authorizes local agencies to adopt ordinances to implement ADU law, but it requires local agencies to submit the ordinance to HCD for review. ADU's ordinance provisions were recently amended to specify that a local ordinance implementing ADU Law is null and void if the local agency fails to submit a copy of the ordinance to the department of HCD or if the local agency fails to respond to HCD's findings within specified timeframes. This bill extends the same requirements to an SHRA ordinance.
- 10) *Double-referral*. This bill was also referred to the Local Government Committee.

**Related/Prior Legislation**

**SB 9 (Arreguin, Chapter 510, Statutes of 2025)** — provided that a local ordinance implementing ADU Law is null and void if the local agency fails to submit a copy of the ordinance to the department of HCD or if the local agency fails to respond to HCD’s findings within specified timeframes.

**AB 628 (McKinnor, Chapter 342, Statutes of 2025)** — expanded the definition of untenable so that leases entered into, amended, or extended on or after January 1, 2026, are required to have a working stove and refrigerator, as specified, subject to certain exemptions, in order to be deemed tenantable

**AB 130 (Committee on Budget, Chapter 22, Statutes of 2025)** — As it relates to the SHRA, allows subdivisions proposed under the SHRA to designate remainder parcels that do not count against the density allowed for SHRA housing developments, and included

**SB 1123 (Caballero, Chapter 294 Statutes of 2024)** — requires, starting July 1, 2025 local agencies to ministerially approve the subdivision of vacant, single-family lots to allow for up to 10 units as specified and makes other changes to SB 684 (Caballero), Chapter 783, Statutes of 2023.

**SB 684 (Caballero, Chapter 783, Statutes of 2023)** — required local agencies to ministerially approve subdivision maps for specified projects in urban areas that include 10 or fewer housing units.

**AB 803 (Boerner-Horvath, Chapter 154, Statutes of 2021)** — removed the ability for local agencies to impose setback requirements between units and minimum lot sizes, and reducing parking requirements.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 1<sup>st</sup>, 2026.)

**SUPPORT:**

Abundant Housing LA  
Abundant Housing Los Angeles  
Abundant Housing Pasadena

Ahla Koreatown  
Alhambra Urbanists  
California Yimby  
Casita Coalition  
Circulate Planning & Policy  
Dtla 4 All  
East Bay Leadership Council  
Eastside Housing for All  
Elevate California  
Montebello Housing Development Corporation  
Neighborhood Partnership Housing Services, INC.  
Power California Action  
South Pasadena Residents for Responsible Growth  
Spur  
Student Homes Coalition  
The Two Hundred for Homeownership  
Unidosus  
Westside for Everyone

**OPPOSITION:**

City of Pico Rivera  
Equitable Land Use Alliance (ELUA)  
Families and Homes San Jose

**-- END --**