

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 1116 (Caballero) – As Amended June 11, 2026

SENATE VOTE: 37-0

SUBJECT: Planning and zoning: housing development projects: subdivisions

SUMMARY: Makes a series of changes regarding the scope of zoning and subdivision provisions of the Starter Home Revitalization Act (SHRA), established by SB 684 (Caballero) Chapter 783, Statutes of 2023, and later revised by SB 1123 (Caballero), Chapter 294, Statutes of 2024, and voids specified types of covenants that would prohibit SHRA projects. Specifically, **this bill:**

- 1) Voids any covenant, condition, restriction, or other provision contained in any deed, contract, security instrument, or other instrument that either prohibits or physically precludes the development of a housing development project that is permitted pursuant to the SHRA.
- 2) Provides that a covenant, condition, or restriction shall not be deemed to prohibit or physically preclude a housing development project using the SHRA solely because it imposes objective design standards, objective use restriction, or requirements relating to public health and safety, provided that those standards or requirements are uniformly applicable, do not conflict with the SHRA, and do not physically preclude a housing development project permitted by the SHRA.
- 3) Provides that bill shall operate solely to render unenforceable those covenants or restrictions described in 1) and shall not be construed to authorize any development that is not otherwise permitted by applicable state or local law, or to alter the manner in which any person or entity reviews or approves a development, except to the extent that a covenant or restriction is rendered unenforceable under this bill.
- 4) Voids any provision of a governing document or other instrument that is inconsistent with 1)-3).
- 5) Excludes common interest developments from the limitations on covenants and restrictions in 1) and 2).
- 6) Requires planning agencies to include in the annual progress report (APR) pursuant to Housing Element Law, beginning with the report due by April 1, 2028, to include the following information with respect to housing development project under the SHRA:
 - a) The number of applications submitted under the SHRA.
 - b) The location and number of developments approved or denied under the SHRA.
 - c) The total number of building permits issued pursuant to the SHRA.
 - d) The total number of units constructed under the SHRA and the income category of those units.

- 7) Prohibits a local agency from imposing objective zoning, subdivision, or design standards on SHRA development application, if those standards do any of the following:
 - a) Physically precludes the development of units with a floor area at least as large as the average unit size (1,750 square feet) permitted under the SHRA.
 - b) Physically preclude the housing development under the SHRA from including additional units or floor area where permitted by any objective zoning standards, objective subdivision standards, and objective design standards that uniformly apply to development within the underlying zone.
 - c) Restrict the number of floors allowed in a SRHA development with the exception of a height limit that applies exclusively to the physical height of the building based on the underlying zoning designation.
 - d) Impose a front setback from the original lot line greater than 10 feet or internal setbacks between the newly created parcels, except as required in the California Building Standards Code, as specified.
 - e) Impose a floor area ratio (FAR) standard on SHRA projects that is less than 1.25, as opposed to a 1.0 FAR for housing development projects consisting of three to seven units and 1.25 for eight to ten units in existing law.
- 8) Requires a local agency to submit a copy of an ordinance to implement the SHRA to the Department of Housing and Community Development (HCD) within 60 days after adoption. Allows HCD to submit written findings to the local agency as to whether the ordinance complies with the SHRA.
- 9) Requires, if HCD finds that the ordinance does not comply with SHRA, HCD to notify the local agency and requires HCD to provide the local agency with a reasonable time, no longer than 30 days, to respond to the finding before taking any other action authorized by the SHRA.
- 10) Requires the local agency to consider the findings made by HCD, pursuant to 9) above, and do one of the following:
 - a) Amend the ordinance to comply with the SHRA.
 - b) Adopt the ordinance without change and include findings in its resolution adopting the ordinance that explains the reasons the local agency believes the ordinance complies with the SHRA despite the findings of HCD.
- 11) Requires, if the local agency does not amend its ordinance in response to HCD's findings or does not adopt a resolution with its own findings explaining why the ordinance complies with the SHRA, HCD to notify the Attorney General that the local agency is in violation of state law.
- 12) Voids ordinances adopted by a local agency if the local agency fails to submit a copy of its ordinance to HCD within 60 days of adoption or fails to respond to the HCD's findings that the local ordinance does not comply with the SHRA within 30 days pursuant to this bill.

Requires the local agency to thereafter apply the standards established in the SHRA for the approval of homes under the SHRA, unless and until the agency adopts an ordinance that complies with the SHRA, including, but not limited to, the submittal requirements of SHRA.

- 13) Declares that the zoning provisions of the SHRA shall be interpreted liberally in favor of producing the maximum number of total housing units.
- 14) Specifies, for purposes of the ministerial approval of units on lots that are vacant and zoned for single-family residential development under the SHRA, that “vacant” includes a lot that contains a permanent structure that is deemed to substantially lack any of the following characteristics:
 - a) Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors.
 - b) Plumbing or gas facilities that conformed to applicable law in effect at the time of installation, maintained in good working order.
 - c) A water supply approved under applicable law that is under the control of the tenant, capable of producing hot and cold running water, or a system that is under the control of the landlord, that produces hot and cold running water, furnished to appropriate fixtures, and connected to a sewage disposal system approved under applicable law.
 - d) Heating facilities that conformed with applicable law at the time of installation, maintained in good working order.
 - e) Electrical lighting, with wiring and electrical equipment that conformed with applicable law at the time of installation, maintained in good working order.
 - f) Floors, stairways, and railings maintained in good repair.
- 15) Removes the requirement that a lot zoned for multifamily residential be smaller than five acres and be substantially surrounded by qualified urban uses. Requires, instead, that the lots meet any of the following criteria, pursuant to AB 130 (Committee on Budget), Chapter 22, Statutes of 2025:
 - a) Have been previously developed with an urban use.
 - b) At least 75% of the perimeter of the lot adjoins parcels with developed urban uses.
 - c) At least 75% 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.
- 16) Allows newly created parcels under the SHRA to be a minimum size of:
 - a) 480 square feet, if the average size of the newly created parcels is 600 square feet or larger.

- b) 960 square feet, if the average size of the newly created parcels is 1, 200 square feet or larger and the parcels are zoned for single-family residential use.
- 17) Provides that if a lot size average is used to create smaller parcels, pursuant to 16) above, none of the newly created residential parcels shall be more than 50% of the size of the original parcel, except if the parcel qualifies to be a remainder parcel, as specified. Excludes the area of any designated remainder parcel, as specified, from the calculation of residential density.
- 18) Removes the existing density requirements that apply to a site proposed for a SHRA, inclusive of the requirement that the project result in at least 66% of the maximum allowable residential density specified by local ordinance or the SHRA, whichever is greater. Replaces the density requirements 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; or
 - 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 jurisdiction's 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, instead of at least as many units as projected for that parcel in the housing element.
- 19) Excludes stairs and enclosed bicycle parking from the calculation of “net habitable square feet.”
- 20) Requires a local agency to approve or deny an application for a final map for a housing development project submitted to a local agency within 60 days from the date the local agency receives a completed application. Additionally provides that, if the local agency does not approve or deny a completed application within 60 days, the application shall be deemed approved. Requires a local agency that denies an application to return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the applicant can remedy the application within 60 days from the date the local agency receives the completed application.
- 21) Makes technical and conforming changes.
- 22) Finds and declares that addressing the housing crisis and the severe shortage of housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this bill applies to all cities, including charter cities.
- 23) Provides that no reimbursement required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill, within the meaning of Section 17556 of the Government Code.

EXISTING LAW:

- 1) Establishes, pursuant to SB 684 (Caballero), Chapter 783, Statutes of 2023, and SB 1123 (Caballero), Chapter 294, Statutes of 2024, a ministerial process for the subdivision of a lot zoned for multifamily development, or lots that are vacant and zoned for single-family residential development, to develop up to 10 residential units. [Government Code (GOV) § 65852.28)
- 2) Provides that a dwelling shall be deemed untenable if it substantially lacks any of the following affirmative standard characteristics, deemed substandard, or contains lead hazards:
 - a) Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors.
 - b) Plumbing or gas facilities that conformed to applicable law in effect at the time of installation, maintained in good working order.
 - c) A water supply approved under applicable law that is under the control of the tenant, capable of producing hot and cold running water, or a system that is under the control of the landlord, that produces hot and cold running water, furnished to appropriate fixtures, and connected to a sewage disposal system approved under applicable law.
 - d) Heating facilities that conformed with applicable law at the time of installation, maintained in good working order.
 - e) Electrical lighting, with wiring and electrical equipment that conformed with applicable law at the time of installation, maintained in good working order.
 - f) Building, grounds, and appurtenances at the time of the commencement of the lease or rental agreement, and all areas under control of the landlord, kept in every part clean, sanitary, and free from all accumulations of debris, filth, rubbish, garbage, rodents, and vermin.
 - g) An adequate number of appropriate receptacles for garbage and rubbish, in clean condition and good repair at the time of the commencement of the lease or rental agreement, with the landlord providing appropriate serviceable receptacles thereafter and being responsible for the clean condition and good repair of the receptacles under their control.
 - h) Floors, stairways, and railings maintained in good repair.
 - i) A locking mail receptacle for each residential unit in a residential hotel, as specified.
 - j) Except as specified, a stove that is maintained in good working order and capable of safely generating heat for cooking purposes. A stove that is subject to a recall by the manufacturer or a public entity is not capable of safely generating heat for cooking purposes.
 - k) Except as specified, a refrigerator that is maintained in good working order and capable of safely storing food. A refrigerator that is subject to recall by the manufacturer or a public entity is not capable of safely storing food. [Civil Code (CIV) § 1941.1]

FISCAL EFFECT: According to the Senate Committee on Appropriations,

“HCD anticipates costs of up to \$980,000 annually and 4.0 PY of staff to implement this bill, including establishing a new workflow to review SHRA ordinances, notifying local agencies if ordinances are non-compliant, and notifying the Attorney General if an ordinance is in violation of state law. HCD would also have workload associated with updating the APR form and related technical assistance materials, providing technical assistance directly to local governments and other stakeholders, and developing one-time IT enhancements to the HCD Connect database and existing related reports. (General Fund)

“Unknown state-mandated local costs to make changes to planning processes and procedures related to the changes to SHRA statutes and to include additional information regarding SHRA projects in annual progress reports (APRs). These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates. (local funds)”

COMMENTS:

- 1) **Author’s Statement.** According to the author, “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) **Bill Summary.** This bill expands the universe of eligible SHRA sites by removing the existing five-acre cap on multifamily parcels, replacing the “substantially surrounded by qualified urban uses” standard with the broader urban infill site criteria established by AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, and modifying the eligibility requirements for single-family parcels by delineating criteria that would render a single-family home untenable and thereby eligible for the SHRA. This bill also allows parcel size averaging, authorizes smaller individual lots where average parcel size requirements are met, and revises the minimum density provisions governing SHRA projects. The bill strikes the SHRA current density requirements and allows for up to 15 units based on density limits or residential square footage restrictions. However, the cap of the 15 units does not include any density bonus, local zoning overlays, accessory dwelling unit allowances, or incentive programs. This bill requires projects located on sites identified in a housing element to accommodate lower-income RHNA to provide a proportional amount of deed-restricted affordable housing consistent with the assumptions used in the housing element.

This bill voids certain private covenants and restrictions that prohibit or physically preclude SHRA projects, while preserving objective standards that do not conflict with state law. This

bill also prohibits local governments from applying objective zoning, subdivision, and design standards, if those standards reduce the development capacity authorized by the SHRA. Among other things, this bill prohibits standards that would prevent a project from achieving the average unit size permitted under the SHRA, limit additional units or floor area otherwise allowed by the underlying zoning, restrict the number of floors independent of an applicable height limit, require front setbacks greater than 10 feet, or require internal setbacks between newly created parcels except as required by the Building Standards Code. This bill additionally removes the existing FAR limitations that may be applied to SHRA projects and requires the statute to be interpreted liberally in favor of maximizing housing production.

This bill establishes additional approval timelines and remedies for final subdivision maps, requires local governments to report SHRA applications, approvals, permits, and completed units to HCD through the APR, and requires locally adopted SHRA implementing ordinances to be submitted to HCD for review. If a jurisdiction fails to submit an implementing ordinance or respond to HCD findings regarding noncompliance, the ordinance becomes void, and the jurisdiction must instead apply the standards established directly in state law.

- 3) **Background.** Planning for and approving new development 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. Cities and counties enforce this land use authority through zoning regulations, as well as through an “entitlement process” for obtaining discretionary as well as ministerial approvals.

The scale of the proposed development, as well as the existing environmental setting determine the degree of local review that occurs. For larger developments, the local entitlement process commonly requires multiple discretionary decisions regarding the subdivision of land, environmental review pursuant to CEQA, and project review by the local agency’s legislative body (city council or county board) or by a planning commission delegated by the legislative body.

- 4) **Planning and Zoning Law.** Cities and counties enact zoning ordinances to implement their general plans. Zoning determines the type of housing that can be built. In addition, before building new housing, housing developers must obtain one or more permits from local planning departments and must also obtain approval from local planning commissions, city councils, or county board of supervisors. Some housing projects can be permitted by city or county planning staff ministerially, or without further approval from elected officials. Projects reviewed ministerially require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meeting standards for building quality, health, and safety. Most large housing projects are not allowed ministerial review; instead, these projects are vetted through both public hearings and administrative review. Most housing projects that require discretionary review and approval are subject to review under the California Environmental Quality Act, while projects permitted ministerially generally are not.
- 5) **Subdivision Map Act.** The Subdivision Map Act (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 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.

- 6) **Starter Home Revitalization Act.** To further facilitate missing middle housing, the SHRA established ministerial approval processes for small lot subdivisions and associated housing development 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;
- 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;
- Require a setback between units;
- Require more parking or greater setbacks than certain limits;

- Limit the FAR 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) 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), Chapter 22, Statutes of 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 developers gain more experience with the SHRA, they have identified barriers to further use of the law to build housing units.

- 7) **Other Recent Legislative Efforts to Create More Starter Homes.** In recent years, the Legislature has passed measures to streamline and simplify the process to subdivide existing residential properties and to build smaller homes. These efforts include:
 - a) **SB 9.** In 2021, the Governor signed SB 9 (Atkins), Chapter 162, 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 for a new two-unit building to be constructed on the newly formed lot. 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.
 - b) **AB 1033 – ADU Condo Conversions.** The Legislature has long identified ADUs, also known as second units, in-law apartments, or “granny flats,” as a valuable form of housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below-market prices within existing neighborhoods. In 1982, the Legislature first provided a framework for local governments to enact ordinances that permit the construction of ADUs, while preserving local government flexibility to regulate the units as necessary. Since then, legislators have enacted a flurry of changes to ADU laws, including the separate conveyance of ADUs. In 2023, AB 1033 (Ting), Chapter 752, authorized cities and counties that have adopted local ordinances to allow properties with ADUs to be converted to condominiums and sold separately or conveyed.
- 8) **Committee Amendments.** Due to timing, the author has requested the following amendments be taken as committee amendments:

Section 3. Section 6585.28 of the Government Code

- ~~(e) (1) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.~~
- ~~(2) A local agency shall submit a copy of the ordinance adopted pursuant to this section to the Department of Housing and Community Development within 60 days after adoption. After adoption of an ordinance, the department may submit written findings to the local agency as to whether the ordinance complies with this section.~~
- ~~(3) If the department finds that the local agency's ordinance does not comply with this section, the department shall notify the local agency and shall provide the local agency with a reasonable time, no longer than 30 days, to respond to the findings before taking any other action authorized by this section.~~
- ~~(4) The local agency shall consider the findings made by the department pursuant to paragraph (2) and shall do one of the following:~~
- ~~(A) Amend the ordinance to comply with this section.~~
- ~~(B) Adopt the ordinance without changes. The local agency shall include findings in its resolution adopting the ordinance that explains the reasons the local agency believes that the ordinance complies with this section despite the findings of the department.~~
- ~~(5) If the local agency does not amend its ordinance in response to the department's findings or does not adopt a resolution with findings explaining the reason the ordinance complies with this section and addressing the department's findings, the department shall notify the local agency and may notify the Attorney General that the local agency is in violation of state law.~~
- ~~(6) If a local agency fails to submit a copy of its ordinance to the department within 60 days of adoption pursuant to this section or fails to respond to the department's findings that the local ordinance does not comply with this article within 30 days pursuant to this section, that ordinance shall be null and void. The local agency shall thereafter apply the standards established in this article for the approval of homes pursuant to this section, unless and until the agency adopts an ordinance that complies with this article, including, but not limited to, the submittal requirements of this section.~~

Section 4. Section 66499.41 of the Government Code is amended to read:

(a) A local agency shall ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets all of the following requirements:

(1) (A)...

(B) (i) The proposed subdivision may designate a remainder parcel, as defined under Section 66424.6, 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. The remainder parcel shall not be counted against the 10-parcel maximum permitted under subparagraph (A).

(ii) A designated remainder parcel described in clause (i) that exceeds the minimum parcel size under the applicable zoning ordinance may be intended for sale, lease, or

financing, provided that any such remainder parcel may not be further subdivided under this section or Section 66411.7.

(2)...

(j) ~~(H)~~ A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

~~(2) A local agency shall submit a copy of the ordinance adopted pursuant to this subdivision to the Department of Housing and Community Development within 60 days after adoption. After adoption of an ordinance, the department may submit written findings to the local agency as to whether the ordinance complies with this section.~~

~~(3) (A) If the department finds that the local agency's ordinance does not comply with this section, the department shall notify the local agency and shall provide the local agency with a reasonable time, no longer than 30 days, to respond to the findings before taking any other action authorized by this section.~~

~~(B) The local agency shall consider the findings made by the department pursuant to subparagraph (A) and shall do one of the following:~~

~~(i) Amend the ordinance to comply with this section.~~

~~(ii) Adopt the ordinance without changes. The local agency shall include findings in its resolution adopting the ordinance that explain the reasons the local agency believes that the ordinance complies with this section despite the department's findings.~~

~~(4) If the local agency does not amend its ordinance in response to the department's findings or does not adopt a resolution with findings explaining the reason the ordinance complies with this section and addressing the department's findings, the department shall notify the local agency and may notify the Attorney General that the local agency is in violation of state law.~~

~~(5) If a local agency fails to submit a copy of its ordinance to the department within 60 days of adoption pursuant to this subdivision or fails to respond to the department's findings that the local ordinance does not comply with this article within 30 days pursuant to this subdivision, that ordinance shall be null and void. The local agency shall thereafter apply the standards established in this section for the approval of homes pursuant to this section, unless and until the agency adopts an ordinance that complies with this section, including, but not limited to, the submittal requirements of this section.~~

~~(k) The amendments made to this section by the act adding this subdivision shall become operative on January 1, 2027, only with respect to applications received pursuant to this section by a local agency on or after January 1, 2027.~~

- 9) **Related Legislation.** AB 1751 (Quirk-Silva) establishes the Missing Middle Townhome Ownership Act, which creates a streamlined, ministerial approval process for townhome developments on residentially zoned lots. This bill is on the Senate Floor.

AB 2601 (Lee) makes several changes to the permitting and subdivision processes for small-scale and missing middle housing developments. This bill is pending in the Senate Local Government Committee.

SB 1090 (Perez) of this legislative session would temporarily exempt two zip codes from the requirements of the SHRA. SB 1090 is pending in this committee.

10) **Arguments in Support.** California YIMBY, a co-sponsor, writes in support, “The SHRA was first enacted in 2023 by SB 684 (Caballero) to allow ministerial approval of small-lot subdivisions (up to 10 units) in qualifying urban areas. However, implementation has revealed barriers that need to be addressed to ensure the SHRA is a strong tool to promote the streamlined construction of missing-middle housing. Ambiguity in eligibility standards and inconsistent local implementation have further limited the law’s impact.

“The bill tightens limits on local design constraints, protects allowable density and floor area ratios, clarifies height standards, creates flexibility for minimum parcel sizes, strengthens Department of Housing and Community Development oversight, and enhances annual housing reporting requirements to better track progress toward Regional Housing Needs Allocation goals. These changes will ensure the law is implemented more effectively.”

11) **Arguments in Opposition.** United Neighbors writes in opposition to the bill, “The Legislature has already taken significant steps to facilitate starter-home production. SB 684 streamlined small-lot development in multifamily zones, and SB 1123 expanded those opportunities into single-family neighborhoods. SB 1116 goes further by reducing minimum lot sizes from 1,200 square feet to 960 square feet and allowing reduced internal setbacks while limiting local discretion. SB 1116 increases neighborhood density through a ministerial process that eliminates meaningful public review, and lacks the data to demonstrate the need for such expansion.

“Many low-density neighborhoods were designed decades ago with infrastructure systems sized for substantially lower levels of development. Increased density can place additional demands on sewer systems, water pressure, electrical grids, road networks, and parking supplies. Local jurisdictions must retain the authority to evaluate and address these impacts before projects are approved.”

12) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 12-0 vote on June 24, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing Los Angeles
 California Apartment Association
 California Yimby
 Casita Coalition
 Chamber of Progress
 Circulate Planning & Policy
 East Bay Leadership Council
 East Bay Yimby
 Elevate California
 Everybody's Long Beach
 Fieldstead and Company, INC.
 Grow the Richmond
 Housing Trust Silicon Valley
 Inner City Law Center
 Lisc San Diego

Monterey Bay Economic Partnership
Mountain View Yimby
Napa-solano for Everyone
Neighborhood Partnership Housing Services, INC.
New Way Homes
North Bay Leadership Council
Northern Neighbors
Peninsula for Everyone
Powerca Action
San Francisco Yimby
San Mateo Forward
Santa Cruz Yimby
Santa Rosa Yimby
Sloco Yimby
South Bay Forward
South Bay Yimby
Southern California Black Chamber of Commerce
Southern California Obtainable Housing
Spur
Student Homes Coalition
The Two Hundred for Homeownership
Unidosus
Valley Industry and Commerce Association (VICA)
Ventura County Yimby
Visionary Home Builders
Yes! in Redwood City
Yimby Action
Yimby Los Angeles
Yimby Monterey Peninsula

Opposition

California Cities for Local Control
Equitable Land Use Alliance (ELUA)
Families and Homes San Jose – *Unless Amended*
League of California Cities
Neighbors for a Better San Diego
Rural County Representatives of California (RCRC)
Save Lafayette
United Neighbors – *Unless Amended*
Wake Up California

Analysis Prepared by: Linda Rios / L. GOV. / (916) 319-3958