

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2601 (Lee) – As Amended April 16, 2026

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

SUMMARY: Makes several changes to the permitting and subdivision processes for small-scale and missing middle housing developments. Specifically, **this bill:**

- 1) Establishes concurrent processing of an application for an urban lot split under SB 9 (Atkins), Chapter 162, Statutes of 2021, with the application for an SB 9 duplex.
 - a) Allows, notwithstanding 1), a local agency to condition issuance of building permits, grading permits, or certificate of occupancy for a proposed housing development upon the applicant first obtaining approval and recording a parcel map for eligible parcels pursuant to SB 9.
 - b) Allows a local agency to deem a building permit or other postentitlement permit application incomplete and require revisions to the building permit or other postentitlement permit in response to any comments from the local agency or other reviewing agencies regarding the parcel map's compliance with applicable state or local development and building standards.
- 2) Establishes concurrent processing of ministerial housing development applications and associated building permit applications for a housing development under SB 684 (Caballero), Chapter 783, Statutes of 2023, and SB 1123 (Caballero), Chapter 294, Statutes of 2024, with an application for a parcel map or tentative and final map under SB 684/1123.
 - a) Allows, notwithstanding 2), a local agency to condition its issuance of building permits, grading permits, or certificates of occupancy for a proposed SB684/1123 housing development upon the applicant first obtaining approval and recording a parcel map or tentative and final map for the lot split under SB 684/1123; and
 - b) Allows a local agency to deem a building permit or other postentitlement permit for a SB 684/1123 housing development project incomplete and require revisions in response to any comments from the local agency or other reviewing agencies regarding the parcel map's or tentative and final map's compliance with applicable state or local development and building standards.
- 3) Requires a local agency to ministerially and concurrently approve an urban lot split and an application for proposed housing development pursuant to SB 9.
- 4) 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.
- 5) Defines "parcel map" for the purposes of this bill to mean a parcel map prepared in accordance with the Subdivision Map Act and may include a condominium plan if proposed

by the subdivider and ultimately approved in accordance with the Davis-Sterling 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 pursuant to state and local law to convey the unit separately.

- 6) Requires an application for a parcel map or a tentative and final map for a housing development project submitted pursuant to this bill to be eligible for concurrent processing with an application for a housing development project or building permit submitted pursuant to SB 684/ SB 1123.
- 7) Makes technical and conforming changes.

EXISTING LAW:

- 1) Requires the streamlined and ministerial approval by a local agency of a duplex in a single-family zone [Government Code (GOV) Section 65852.21], and the urban lot split (subdivision) of a parcel zoned for residential use into two parcels, each at least 40% of the original lot's size (GOV § 66411.7). Specifically:
 - a) Prohibits an urban lot split if the lot was previously split under SB 9, and prohibits an owner or related party from splitting adjacent lots to prevent circumvention of the two-lot limit. (GOV § 66411.7)
 - b) Provides that an application for a duplex or a lot split must be considered and approved or denied by the local agency within 60 days of the date the local agency receives a completed application. Further provides that:
 - i) If a local agency denies an application for a duplex or lot split, the permitting agency must provide, 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 application can be remedied by the applicant; and
 - ii) If the local agency has not approved or denied the application within 60 days and the application meets all qualifying criteria, the application is deemed approved. (GOV § 66411.7 & 65852.21)
 - c) Prohibits a local agency from imposing objective standards on a proposed duplex that do not apply uniformly to developments within the underlying zoning district. Otherwise, allows a local agency to adopt or impose objective zoning standards, objective subdivision standards, and objective design standards on development authorized by this section as follows:
 - i) If those standards are more permissive than applicable standards in the underlying zone;
 - ii) If the standards would not physically preclude the construction of up to two units or physically preclude either of the two units from being at least 800 square feet in floor area;

- iii) A city or county may require a setback of up to four feet from the side and rear lot lines; and
 - iv) A city or county may not require setbacks for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure. (GOV § 66411.7 & 65852.21)
 - d) Allows a local agency to impose objective standards for a proposed lot split so long as they are related to the design or to the improvements of a parcel. (GOV 66411.7)
 - e) Requires an applicant for an urban lot split to sign an affidavit stating they intend to occupy one of the housing units as their primary residence for at least three years following the lot split. (GOV § 66411.7)
 - f) Prohibits units created by SB 9 from being used as short-term rentals (i.e., they must be rented for terms longer than 30 days). (GOV § 66411.7 & 65852.21)
 - g) Requires the Department of Housing and Community Development (HCD) to notify a local government if it has taken an action in violation of SB 9 and authorizes HCD to notify the Attorney General (AG) if the local government is in violation of SB 9, at HCD's discretion. (GOV § 65585 & 65585.1)
- 2) Governs the creation of condominiums and common interest developments, including requirements for condominium plans, disclosures, and governance, pursuant to the Davis-Stirling Common Interest Development Act. (Civil Code (CIV) Sections 4000 et seq.)

FISCAL EFFECT: None.

COMMENTS:

- 1) **Author's Statement and Bill Summary.** 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."

This bill requires local agencies to allow concurrent processing of applications for urban lot splits and associated SB 9 duplexes, as well as 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.

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. This provision creates a pathway for SB 9 units that have ADUs to be sold as individual ownership interests, which

may enable up to four separately conveyable homes on a site.

Taken together, this bill does not expand the underlying eligibility or increase density for SB 9 or SB 684/1123 projects, but instead focuses on improving how these projects move through the approval process and how resulting units may be structured and conveyed. By allowing concurrent processing while maintaining key subdivision law checkpoints, this bill seeks to reduce delays associated with sequential approvals while preserving local oversight of final map recordation and compliance with applicable standards.

This bill is author sponsored.

- 2) **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.
- 3) **SB 9.** 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 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.
- 4) **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.

- 5) **AB 1033 (Ting) – Converting ADUs into Condos.** AB 1033 (Ting), Chapter 752, Statutes of 2023, authorized cities and counties that have adopted local ordinances to allow properties with ADUs to be converted to condominiums and sold separately or conveyed. Under this bill, an owner of an SB 9 unit with an ADU could make use of AB 1033 to convert the two units into condominiums and sell them separately in cities that allow the practice.
- 6) **Related Legislation.** AB 2005 (Ahrens) creates an alternative compliance pathway for the owner-occupancy requirement of SB 9. This bill is pending in this committee.

AB 1751 (Quirk-Silva) establishes the Missing Middle Townhome Ownership Act, creating a streamlined, ministerial approvals pathway for townhome development on residentially zoned lots. This bill is pending in this committee.

- 7) **Previous Legislation.** AB 1033 (Ting), Chapter 752, Statutes of 2023, allowed cities and counties that have a local ADU ordinance to allow ADUs to be sold separately or conveyed from the primary residence as condominiums.

AB 976 (Ting), Chapter 751, Statutes of 2023, made the existing prohibition on local government's ability to require owner-occupancy on a parcel containing an ADU permanent.

SB 1123 (Caballero), Chapter 294, Statutes of 2024, required local agencies to ministerially approve the subdivision of vacant, single-family lots to allow for up to 10 units as specified, and made 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.

- 8) **Arguments in Support.** None on file.
- 9) **Arguments in Opposition.** The California Association of Realtors writes in opposition, “AB 2601 places homeowner protections established in SB 9 (Atkins, 2021) to ensure homeowners benefit from the generational wealth building opportunity created by streamlining urban lot splits in jeopardy. SB 9 was the product of extended stakeholder negotiations. Many of those discussions resulted in the establishment of guardrails intended to protect homeowners and communities and reduce gentrification risks. AB 1033 (Ting, 2023) was advanced in an attempt to render many of the protections in SB 9 moot by opening the door to conveyance of ADUs without any guardrails or limitations. However, a key negotiated provision ensured that local governments retain the power to voluntarily adopt a local ordinance to clarify local title conveyance procedures and other mandated construction standards. AB 2601 seeks to eliminate local control by mandating that all cities and counties in California permit “lot splitting” of ADUs in a time that insurance costs are skyrocketing, insurance availability for these types of common interest developments is unclear, and transparency in the HOA management space remains a serious concern.”
- 10) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee, where it passed on a 10-0 vote on April 15, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

None

Opposition

California Association of Realtors

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