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14th Senate District

SB 1123 Planning and Zoning: subdivisions: ministerial review (as amended 04/1/24)

SUMMARY

SB 1123 makes several technical and clarifying changes to the projects eligible for ministerial approval under the Starter Home Revitalization Act (Act). These changes include that tenancy in common ownerships are eligible for ministerial approval and clarifies that when permitted, accessory dwelling units do not count towards the 10-unit project cap.

Additionally, SB 1123 expands the small project ministerial approval under the Act to include projects of no more than 10 units on vacant parcels zoned for single-family residential development. SB 1123 includes important guardrails for these projects including that local agencies may impose the same height requirements of the surrounding community.

BACKGROUND

AB 803 (Boerner, 2021), created the Starter Home Revitalization Act (Act), which requires local governments approve an application to subdivide a lot zoned for multifamily housing into smaller lots for single-family homes if it met specific criteria.

In 2023, SB 684 (Caballero) expanded the Act to require local agencies to ministerially approve subdivision maps associated with a housing development project of 10 or fewer units and requires local agencies to issue building permits at the tentative map phase of the subdivision process.

California law allows various methods of holding title to property, including tenancy in common (TIC). TICs allow two or more individuals to own property together, but with separate and distinct shares. Each can sell, transfer, or mortgage their shares independently, and at the time of an owner’s death, their share passes to their heirs or beneficiaries.

California has long permitted the use of ADUs (separate residences on the same property as a primary residential dwelling) and has enacted many recent reforms to streamline their development. ADUs are an important tool to help address the state’s severe housing shortage.

PROBLEM

Homeownership is how most Americans build wealth, achieve financial security, and stabilize neighborhoods, but is now at its lowest level in California since the 1940s. In 1969, the average home costs 2.6 times a family’s annual salary. In 2020, the average cost grown to 8.5 times a family’s annual salary. As a result, the American Dream of homeownership is out of reach for most Californians, and communities of color fare even worse.

Under existing law, to qualify for the SB 684 streamlining benefits, a project must be a housing co-operative, a common interest development – commonly known as a homeowner’s association, or ownership in fee simple, which is the outright ownership of land and the property on it. It does not include tenancy in common, which is a frequently used and important ownership model in California.

Additionally, there is ambiguity in current law regarding whether or not a project proposed under SB 684 allows for the construction of ADUs, and if those ADUs factor in the overall unit count of the project. Many jurisdictions have developed policies pertaining to ADUs, so it is necessary to clarify how SB 684 applies in the situation where ADUs are permitted.

SOLUTION

SB 1123 addresses necessary clarifying and technical changes related to eligible projects, project standards, and ADU development to improve SB 684 implementation. Most importantly, SB 1123 creates the opportunity to build more homes for sale by expanding SB 684’s streamlining benefits for the development of small housing on vacant parcels that are zoned for single-family residential development.

Together, these changes will make homes easier, faster, and less expensive to build and put homeownership within reach for more Californians.

SUPPORT

- California Community Builders (Co-Sponsor)
- California YIMBY (Co-Sponsor)
- California Central Valley Urban Institute (Co-Sponsor)

LISC San Diego (Co-Sponsor)
California Building Industry Association
California Chamber of Commerce
Circulate San Diego
Housing Action Coalition
Monterey Bay Economic Partnership
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YIMBY Action

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