

CALIFORNIA LEGISLATURE—2025-2026 SIMULATION SESSION

SENATE BILL

NO. 1

Introduced by Senator Weber Pierson

October 1, 2025

An act to amend Section 66452.6 of the Government Code, regarding land use and developer incentives.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Senator Weber Pierson. “Affordable Housing”

Under existing law, the Housing Opportunity and More Efficiency (Home) Act, aims to increase the housing supply by allowing homeowners in most areas to divide their existing single-family lots into two lots and build up to two primary dwelling units in each lot. The law allows property owners to create smaller and more affordable homeownership opportunities, thereby increasing house supplies in communities state wide.

This bill will amend the pre-existing Government Code and allow homeowners to divide their existing single-family lots not into two but four lots. Allowing for more density in areas previously zoned as single-family homes. The bill allows local agencies to provide incentives for housing developers such as expedited approval procedures, reduced fees, and public funding

Vote: Majority Appropriation: Yes Fiscal Committee: Yes Local Program: Yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 66452.6 is amended to read:

66452.6 (a) A proposed housing development containing no more than ~~two~~ four residential units within a single-family residential zone shall be considered ministerially, without discretionary review or a hearing, if the proposed housing development meets all of the following requirements:

(1) The parcel subject to the proposed urban lot split is located within a city, the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the

boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) The proposed urban lot split would not require demolition or alteration of any of the following types of housing:

(a) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(b) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(c) A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(d) Housing that has been occupied by a tenant in the last three years.

(3) The development is not located within a historic district or property included on the State Historic Resources Inventory.

SECTION 2. Local agencies shall include units created under this section in the annual housing element report.

SECTION 3. This act applies to all cities, including charter cities.

SECTION 4. Developer incentives

(a) A local agency may provide incentives to developers who build up to four units under this section, including but not limited to:

- (1) Reduced or waived local fees for affordable or multi-unit developments
- (2) Expedited permits or approval processes
- (3) Density bonuses, relaxed parking requirements

(b) Incentives shall prioritize developer projects that include affordable housing units and density.

(c) All residential units created under this section shall be **at least 800 square feet** in floor area

SECTION 5. Implementation of this bill is expected to cost approximately \$15 million statewide, allocated from existing housing development funds. This funding will cover local government fee waivers, expedited permitting, and oversight of compliance.

Section 6. Rental Cap: Monthly rent for any unit developed under this act shall not exceed **30 percent of the local area median household income** as determined annually by the Department of Housing and Community Development.

Renter's Tax Credit: Eligible renters residing in units created under this act shall receive a **state renter's tax credit equal to nine percent (9%)** of their annual rent payments.

Infrastructure Review: Local governments shall review the impact of increased density on essential services, including **water, sewer, transportation, and healthcare**, before approving subdivision projects.

Local Support Funding: A portion of the statewide implementation funds authorized in Section 5 shall be allocated to assist local agencies in upgrading or maintaining essential public services related to population growth.