SB-684 Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres. (2023-2024)

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Senate Bill No. 684

CHAPTER 783

An act to add Sections 65852.28, 65913.4.5, and 66499.41 to the Government Code, relating to land use.

[Approved by Governor October 11, 2023. Filed with Secretary of State October 11, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 684, Caballero. Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres.

Existing law, the Subdivision Map Act, vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification thereof. The act generally requires a subdivider to file a tentative map or vesting tentative map with the local agency, as specified, and the local agency, in turn, to approve, conditionally approve, or disapprove the map within a specified time period.

The Planning and Zoning Law contains various provisions requiring a local government that receives an application for certain types of qualified housing developments to review the application under a streamlined, ministerial approval process depending on the type of housing development, as specified. Existing law, known as the Starter Home Revitalization Act of 2021, requires a city or county to approve an application for a small home lot housing development project, as defined, on a proposed site to be subdivided unless the city or county makes a finding related to the development's compliance with certain requirements or the development's specific, adverse public health or safety impact.

This bill would require a local agency to ministerially consider, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project that meets specified requirements. In this regard, the bill would require the proposed subdivision to result in 10 or fewer parcels and the housing development project to, among other things, consist of 10 or fewer residential units, meet certain minimum parcel size and density requirements, and be located on a lot zoned for multifamily residential development that is no larger than 5 acres and is substantially surrounded by qualified urban uses. The bill would exempt the housing development project from certain requirements relating to minimum parcel size and dimensions and the formation of a homeowners' association, except as specified.

This bill also would require a local agency to ministerially consider, without discretionary review or a hearing, an application for a housing development project on a lot that is subdivided pursuant to the provisions of the bill described above. The bill would authorize a local agency to impose on the housing development objective zoning standards, objective subdivision standards, or objective design standards that are related to a housing development or to the design or improvement of a parcel, as specified. However, the bill would prohibit a local agency from imposing on the housing development certain standards, including those that physically preclude the development of a project built to specified densities, impose a requirement that applies to a project solely

or partially on the basis that the subdivision or housing development receives approval pursuant to the bill's provision, or impose certain requirements related to parking, setbacks, or floor area ratios, as specified.

This bill would impose streamlining requirements with regard to consideration of an application for a parcel map or a tentative and final map pursuant to the first set of provisions described above or an application for a housing development project pursuant to the 2nd set of provisions described above. Specifically, the bill would require a local agency to approve or deny a completed application submitted to a local agency pursuant to these provisions within 60 days from the date the local agency receives it. Under the bill, if the local agency does not approve or deny the application within 60 days, the application would be deemed approved. If the local agency denies the application, the bill would require the local agency, within 60 days of receipt of the 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.

This bill would also require, except as specified, a local agency to issue a building permit for one or more residential units that are part of a housing development project consisting of 10 or fewer units on a lot proposed to be subdivided as part of a subdivision if the applicant meets certain requirements. In this regard, the bill would require the applicant to have received a tentative map approval or parcel map approval for the subdivision, to have submitted a building permit application that the local agency deemed complete pursuant to a provision governing local agency review of postentitlement phase permit applications. The bill would authorize a local agency to condition the issuance of the building permit on the applicant submitting a recorded covenant and agreement that conditions the issuance of the building permit on the recording of the final map, as specified.

The Planning and Zoning Law provides for the creation of accessory dwelling units and junior accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.

Under this bill, a local agency would not be required to permit an accessory dwelling unit or a junior accessory dwelling unit on a parcel created through the exercise of the authority provided by the bill, as described above.

The Subdivision Map Act requires a local agency to ministerially approve a parcel map for an urban lot split that meets certain requirements, as specified. The Planning and Zoning Law requires a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, as specified.

Under this bill, the above-described existing law provisions would not apply to a site that is located within a single-family residential horsekeeping zone designated in a specified master plan if the applicable local government has an adopted housing element that is compliant with applicable law. Under the bill, a local agency would not be required to permit an urban lot split on a parcel created through the exercise of the authority provided by the bill, as described above.

This bill would make the exemption for a site located within a single-family residential horsekeeping zone designated in a specified master plan operative on January 1, 2024, and would make all of the other above-described provisions operative on July 1, 2024.

This bill would make related findings and declarations.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

Because this bill would impose new duties on local governments related to the review and approval of parcel maps, tentative and final maps, and housing development projects, the bill would impose a state-mandated local program.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

By establishing a streamlined, ministerial approval process for certain housing developments, this bill would expand the exemption for the ministerial approval of projects under CEQA. Under the bill, an ordinance adopted by a local agency to implement certain provisions of the bill would not be considered a project under CEQA.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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

SECTION 1. The Legislature finds and declares all of the following:

(a) California has a statewide housing crisis, represented by a shortage of nearly 3,500,000 homes.

(b) California's housing crisis stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California dream of home ownership.

(c) Restrictive zoning, land use, and burdensome permitting policies at the local and state level are a major cause of the shortfall between California's housing needs and the available supply of housing.

(d) Home ownership is still the primary way in which most Americans build wealth and assets. California has the third-highest median home price in the country and the high cost of housing has pushed what was once a modest goal further and further out of reach for most people of color.

(e) Home ownership rates in California are among the lowest nationwide, and in recent years those numbers have continued downward. Between 2020 and 2022, California home ownership declined by 3.19 percent.

(f) While the home ownership gap is an issue throughout the country, the rate of African American and Latinx home ownership is significantly worse in California. At a national level, African Americans and Latinx have a home ownership rate of 42 percent and 47 percent, respectively, while here in California, that rate drops down to 35 percent and 42 percent, respectively.

(g) The Legislative Analyst's Office has identified a lack of housing supply as one of the culprits for the severe home ownership gap. The office's 2016 housing affordability report found that "the state's housing shortage also makes many Californians, not only low-income residents, more likely to commute longer distances, live in overcrowded housing, and delay or forgo home ownership."

(h) According to the Urban Institute, multifamily construction built for sale accounted for only 5.4 percent of all multifamily starts and only 2.7 percent of all single-family and multifamily home construction for the first three quarters of 2021.

(i) Houses cost more in California due to increased costs, heavy regulatory hurdles, and mandatory features and fees that add tens of thousands of dollars to the cost of each unit.

(j) Access to sustainable home ownership can be expanded with fiscal assistance, housing counseling, sound lending, flexible underwriting that ensures the ability to pay, and backing by Federal Housing Administration (FHA) mortgage insurance.

(k) As production has slowed and changed, for-sale inventory has tightened, particularly for entry-level homes.

(l) Higher home prices have translated to less diversity in who is able to purchase a home.

(m) Home ownership is a powerful tool to close the racial and ethnic wealth gap across the State of California and nationwide.

(n) The production of new market-rate housing frees up existing, more affordable elsewhere in the region for sale or rent to middle and lower-income households.

SEC. 2. Section 65852.28 is added to the Government Code, to read:

65852.28. (a) A development proponent may submit an application for a housing development project on a lot that is subdivided pursuant to Section 66499.41 and that meets the requirements of this section.

(b) (1) For any housing development on a lot that is subdivided pursuant to Section 66499.41, a local agency may impose objective zoning standards, objective subdivision standards, or objective design standards that are related to the housing development or to the design or improvement of a parcel, and do not conflict with this section or Section 66499.41.

(2) Notwithstanding paragraph (1), a local agency shall not impose on a housing development on a lot that is subdivided pursuant to Section 66499.41 an objective zoning standard, objective subdivision standard, or objective design standard that does or is any of the following:

(A) Physically precludes the development of a project built to densities as specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2. This paragraph does not preclude a local agency from adopting an ordinance that allows

developments at a density greater than the maximum density specified in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2.

(B) Imposes any requirement that applies to a project solely or partially on the basis that the subdivision or housing development receives approval pursuant to this section.

(C) Requires a setback between the units, except as required in the California Building Code (Title 24 of the California Code of Regulations).

(D) Requires that parking be enclosed or covered.

(E) Imposes side and rear setbacks from the original lot line inconsistent with subparagraph (B) of paragraph (2) of subdivision (b) of Section 65852.21.

(F) Imposes parking requirements inconsistent with paragraph (1) of subdivision (c) of Section 65852.21.

(G) (i) For a housing development project consisting of three to seven units, inclusive, impose a floor area ratio standard that is less than 1.0.

(ii) For a housing development project consisting of 8 to 10 units, inclusive, impose a floor area ratio standard that is less than 1.25.

(c) (1) A local agency shall ministerially consider, without discretionary review or a hearing, an application submitted to a local agency pursuant to this section.

(2) A local agency shall approve or deny an application for a housing development project submitted to a local agency pursuant to this section within 60 days from the date the local agency receives a completed application. If the local agency does not approve or deny a completed application within 60 days, the application shall be deemed approved. If the local agency denies the application, the local agency shall, within 60 days from the date the local agency receives the completed application, 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.

(d) A local agency may disapprove a housing development project that meets the requirements of this section if it makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(e) 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.

(f) This section shall become operative on July 1, 2024.

SEC. 3. Section 65913.4.5 is added to the Government Code, to read:

65913.4.5. (a) (1) A local agency shall issue a building permit for one or more residential units that are part of a housing development project consisting of 10 or fewer units on a lot proposed to be subdivided as part of a subdivision pursuant to paragraph (3) if the applicant for the permit has met both of the following requirements:

(A) The applicant has received a tentative map approval or parcel map approval for the subdivision.

(B) The applicant has submitted a building permit application that the local agency deemed complete pursuant to subdivision (b) of Section 65913.3.

(2) The local agency may condition the issuance of a building permit on the applicant submitting proof to the satisfaction of the local agency of a recorded covenant and agreement enforceable by the local agency that states that the applicant and the applicant's successors and assignees agree that the building permit is issued on the condition that a certificate of occupancy or equivalent final approval for the building will not be issued unless the final map has been recorded.

(3) (A) The local agency shall issue the building permit based upon the tentative or parcel map and its conditions of approval. Any dedication, improvement, and sewer requirements identified in the approved tentative or parcel map or its conditions of approval shall be guaranteed to the satisfaction of the local agency at the time the building permit is issued.

(B) The local agency may require security to ensure faithful performance of the requirements identified in the approved tentative or parcel map or its conditions of approval. The amount of security shall be determined by the local agency and shall not be more than 300 percent of the total estimated cost of the improvements or of the acts to be performed. The security shall be provided in either of the following forms, as determined by the local agency:

(i) Bond or bonds by one or more duly authorized corporate sureties.

(ii) An instrument of credit from an agency of the state, federal, or local government when any agency of the state, federal, or local government provides at least 20 percent of the financing for the portion of the act or agreement requiring security, or from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the act or agreement are on deposit and guaranteed for payment, or a letter of credit issued by such a financial institution.

(4) Notwithstanding paragraph (1), a local agency may deny issuance of a building permit if the building official makes a written finding, based upon a preponderance of the evidence, that construction of the proposed structure or structures before recordation of the final map would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(b) 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.

(c) This section shall become operative on July 1, 2024.

SEC. 4. Section 66499.41 is added to the Government Code, to read:

66499.41. (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) 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 residential units.

(2) The lot proposed to be subdivided meets all of the following sets of requirements:

(A) The lot is zoned for multifamily residential development.

(B) The lot is no larger than five acres and is substantially surrounded by qualified urban uses. For purposes of this subparagraph, the following definitions apply:

(i) “Qualified urban use” has the same meaning as defined in Section 21072 of the Public Resources Code.

(ii) “Substantially surrounded” has the same meaning as defined in paragraph (2) of subdivision (a) of Section 21159.25 of the Public Resources Code.

(C) The lot is a legal parcel located within either of the following:

(i) An incorporated city, the boundaries of which include some portion of an urbanized area.

(ii) An urbanized area or urban cluster in a county with a population greater than 600,000 based on the most recent United States Census Bureau data.

(iii) For purposes of this subparagraph, the following definitions apply:

(I) “Urbanized area” means an urbanized area designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(II) “Urban cluster” means an urbanized area designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(D) The lot was not established pursuant to this section or Section 66411.7.

(3) (A) Except as specified in subparagraph (B), the newly created parcels are no smaller than 600 square feet.

(B) A local agency may, by ordinance, adopt a smaller minimum parcel size subject to ministerial approval under this subdivision.

(4) The housing units on the lot proposed to be subdivided are one of the following:

(A) Constructed on fee simple ownership lots.

(B) Part of a common interest development.

(C) Part of a housing cooperative, as defined in Section 817 of the Civil Code.

(D) Owned by a community land trust. For the purpose of this subparagraph, “community land trust” means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following:

(i) Has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences.

(ii) All dwellings and units located on the land owned by the nonprofit corporation are sold to qualified owners to be occupied as the qualified owner’s primary residence or rented to persons and families of low or moderate income. For the purpose of this subparagraph, “qualified owner” means a person or family of low or moderate income, including a person or family of low or moderate income who owns a dwelling or unit collectively as a member occupant or resident shareholder of a limited-equity housing cooperative.

(iii) The land owned by the nonprofit corporation, on which a dwelling or unit sold to a qualified owner is situated, is leased by the nonprofit corporation to the qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.

(5) The proposed development will, pursuant to the requirements of this division, meet one of the following, as applicable:

(A) If the parcel is identified in the jurisdiction’s housing element for the current planning period that is in substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1, the development will result in at least as many units as projected for that parcel in the housing element. If the parcel is identified to accommodate any portion of the jurisdiction’s share of the regional housing need for low- or very low income households, the development will result in at least as many low- or very low income units as projected in the housing element. These units shall be subject to a recorded affordability restriction of at least 45 years.

(B) If the parcel is not identified in the jurisdiction’s housing element for the current planning period that is in substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1, the development will result in at least as many units as the maximum allowable residential density.

(6) The average total area of floorspace for the proposed housing units on the lot proposed to be subdivided does not exceed 1,750 net habitable square feet.

(7) The housing development project on the lot proposed to be subdivided complies with any local inclusionary housing ordinances adopted by the local agency.

(8) The development of a housing development project on the lot proposed to be subdivided does not require the 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 rent to levels affordable to persons and families of low, very low, or extremely low income.

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

(C) Housing occupied by tenants within the five years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the submission of the application for a development permit.

(D) A parcel 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.

(9) The lot proposed to be subdivided is not located on a site that is any of the following:

(A) Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.

(B) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).

(C) Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code.

(D) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless either of the following apply:

(i) The site is an underground storage tank site that received a uniform closure letter issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This section does not alter or change the conditions to remove a site from the list of hazardous waste sites listed pursuant to Section 65962.5.

(ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, has otherwise determined that the site is suitable for residential use or residential mixed uses.

(E) Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(F) Within a special flood hazard area subject to inundation by the 1-percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this paragraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

(i) The site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction.

(ii) The site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

(G) Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site.

(H) Land identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or another adopted natural resource protection plan.

(I) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

(J) Land under conservation easement.

(10) The proposed subdivision conforms to all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)), except as otherwise expressly provided in this section.

(11) The proposed subdivision complies with all applicable standards established pursuant to Section 65852.28.

(12) Any parcels proposed to be created pursuant to this section will be served by a public water system and a municipal sewer system.

(b) A housing development project on a proposed site to be subdivided pursuant to this section is not required to comply with any of the following requirements:

(1) A minimum requirement on the size, width, depth, or dimensions of an individual parcel created by the development beyond the minimum parcel size specified in, or established pursuant to, paragraph (3) of subdivision (a).

(2) (A) The formation of a homeowners' association, except as required by the Davis-Stirling Common Interest Development Act (Part 5 (commencing with Section 4000) of Division 4 of the Civil Code).

(B) Subparagraph (A) shall not be construed to prohibit a local agency from requiring a mechanism for the maintenance of common space within the subdivision, including, but not limited to, a road maintenance agreement.

(c) A local agency shall approve or deny an application for a parcel map or a tentative map for a housing development project submitted to a local agency pursuant to this section within 60 days from the date the local agency receives a completed application. If the local agency does not approve or deny a completed application within 60 days, the application shall be deemed approved. If the local agency denies the application, the local agency shall, within 60 days from the date the local agency receives the completed application, 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.

(d) Any housing development project constructed on the lot proposed to be subdivided pursuant to this section shall comply with all applicable objective zoning standards, objective subdivision standards, and objective design standards as established by the local agency that are not inconsistent with this section and paragraph (2) of subdivision (a) of Section 65852.28.

(e) A local agency may condition the approval and recordation of a subdivision map upon the completion of a residential structure in compliance with all applicable provisions of the California Building Standards Code that contains at least one dwelling unit on each resulting parcel that does not already contain an existing legally permitted residential structure or is reserved for internal circulation, open space, or common area.

(f) A local agency may deny the issuance of a parcel map, a tentative map, or a final map if it makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(g) Notwithstanding Section 65852.2 or 65852.22, a local agency is not required to permit an accessory dwelling unit or a junior accessory dwelling unit on parcels created through the exercise of the authority contained within this section.

(h) (1) Notwithstanding Section 66411.7, a local agency is not required to permit an urban lot split on a parcel created through the exercise of the authority contained within this section.

(2) Notwithstanding Sections 65852.21 and 66411.7, those sections shall not apply to a site that meet both of the following requirements:

(A) The site is located within a single-family residential horsekeeping zone designated in a master plan, adopted before January 1, 1994, that regulates land zoned single-family horsekeeping, commercial, commercial-recreational, and existing industrial within the plan area.

(B) The applicable local government has an adopted housing element that is compliant with applicable law.

(i) 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.

(j) Paragraph (2) of subdivision (h) shall become operative on January 1, 2024. Subdivisions (a) to (g), inclusive, paragraph (1) of subdivision (h), and subdivision (i) shall become operative on July 1, 2024.

SEC. 5. The Legislature finds and declares that the state faces a severe housing shortage, largely due to the lack of available housing affordable to lower and moderate-income families. By expanding opportunities for ownership of more affordable housing types on smaller, less expensive parcels, this act ensures access to affordable housing and addresses a matter of statewide concern, rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 2 of this act amending Section 65585 of the Government Code and Sections 3, 4, and 5 of this act adding Sections 65852.28, 65913.4.5, and 66499.41 to the Government Code apply to all cities, including charter cities.

SEC. 6. No reimbursement is required by this act 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 act, within the meaning of Section 17556 of the Government Code.