Policy for Implementation of the Small Starter Home Act (SB 684 / SB 1123)

Revised 06.16.26

1. Background

The Small Starter Home Act, originally enacted through Senate Bill (SB) 684 in 2023 and later amended by SB 1123 in 2024, was adopted by the State of California to address the shortage of affordable housing by streamlining the development of small-scale housing projects. The Act is intended to make it easier for property owners and developers to create up to ten modest-sized homes on appropriately zoned parcels by simplifying the approval process, exempting qualifying projects from the California Environmental Quality Act (CEQA), and establishing clear, objective development standards. By reducing procedural barriers, the legislation encourages the production of smaller, more attainable homes while ensuring compatibility with local zoning, subdivision, and environmental standards.

The Small Starter Home Act allows the creation of up to 10 parcels, not counting a remainder lot as defined, that will contain 10 or fewer residential units. Once a lot is subdivided, parcels may not be separately sold, leased or financed unless it contains a residential structure with at least one dwelling unit, the parcel is reserved for internal circulation, open space, or common area, or the parcel is the only remaining parcel not developed with a residential structure.

2. Purpose

This policy establishes the City's procedures and requirements for processing housing development projects under the Small Starter Home Act, enacted through SB 684 and revised by SB 1123. These laws are codified in Government Code Sections 65852.28, 65913.4.5, and 66499.41.

3. Eligibility Criteria

The proposed subdivision will result in ten or fewer parcels and the housing development project on the lot proposed to be subdivided will contain ten or fewer residential units. The proposed project qualifies if **all** of the following apply:

3.1 Parcel Size and Zoning

- Multi-Family Zoned Lot (RD-10 through RD-30) must be no larger than 5 acres and the newly created lots must be ≥ 600 sq. ft.
- Single-Family Zoned Lot (RD-1 through RD-7) must be **vacant,** no larger than 1.5 acres and the newly created lots must be ≥ 1,200 sq. ft.
- Parcels must be substantially surrounded by qualified urban uses.

3.2 Vacant Lot Definition

- A vacant lot contains no permanent structure, unless the structure is abandoned and uninhabitable.

- A lot is not considered vacant if occupied by tenants within the past 5 years from the date of the application, even if the housing was demolished or tenants vacated during that time.

3.3 Environmental Restrictions

- Parcel cannot be located on an environmentally sensitive site with wetlands
  - very high fire hazard severity zones (where applicable)
  - hazardous waste sites
  - conservation easements
  - habitat areas
  - floodways

- 3.4 Legal Parcel Status
  - Must be a legal parcel and not created under Government Code § 66411.7 (SB 9) or the Starter Home Act.

4. Development Standards

Newly created parcels under this Act must comply with the following:

4.1 Unit Size Limits

- The **average** total floorspace shall not exceed a maximum 1,750 net habitable square feet per unit.
- Net habitable square feet includes finished, heated, fully enclosed floor area at least 6.5 feet high. Excludes garages, cellars, half-stories, unfinished attics/basements.

4.2 Density

- If parcel is an inventory site in the Housing Element – must have at least as much housing as shown in housing element and meet affordability levels as shown in Housing Element
  - 45 year restriction required for affordable units
- Projects shall meet the minimum density requirements established by Government Code Section 66499.41(a)(5)(B). The City will evaluate compliance on a case-by-case basis based on the applicable zoning designation, Housing Element status, and any guidance issued by the California Department of Housing and Community Development.

4.3 Common Space Maintenance

- If applicable, applicant must establish a mechanism for ongoing maintenance of shared/common spaces within the development.

4.4 Accessory Dwelling Units (ADUs)

- Accessory Dwelling Units shall be prohibited where their construction would result in a project exceeding the limitations established by Government Code Section 66499.4

4.5 Applicability of SB 9

- Lots created through this Act may not be further subdivided or developed with two-units under the provisions of SB 9. This restriction will be placed on the title of each lot.

4.6 Access Standards

- Each lot shall have frontage on or direct access to a public street. To be considered direct access, the proposed lot split may allow each lot to access a public street by

way of a recorded 20-foot minimum width easement and must meet California Fire Code standards.

5. Applicable Standards:

Projects must comply with all objective zoning, subdivision, and design standards that are not inconsistent with the Government Code sections 65852.28 or 66499.41.
Subdivision Map Act standards still apply.

6. Permit Streamlining Procedures

The following provisions are applicable to developments under these Acts.

6.1 Review Timelines

- Approval/Denial Deadline: 60 days from receipt of a **complete application**[1].
- Automatic Approval: If no action is taken within 60 days, the application is deemed approved.
- Denials: Will include written comments detailing deficiencies and how to remedy them within the 60 day time period.

6.2 Construction and Map Recordation

- A building permit for one or more residential units on a lot subdivided pursuant to the provisions of SB 684/SB 1123 may be issued prior to recordation of the map provided a complete building permit application has been received.
- No certificate of occupancy or occupancy allowed until the final map is recorded.

7. Denials

An application for a map or a housing development may only be denied if the city makes a written finding, based on a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact on the public health and safety and for which there is no feasible method to mitigate or avoid the specific, adverse impact, or if the if the project fails to satisfy the objective eligibility requirements established by Government Code Section 66499.41.

8. Application Submission

The City of Citrus Heights provides a Planning Application Checklist ("Checklist") to assist applicants in preparing a complete development application. For projects submitted under the provisions of SB 684/SB 1123, applicants must use the Subdivision/Parcel Map Checklist, available for download at www.citrusheights.net/219.

Once all required documents are prepared, applicants shall submit their materials through the City's online application portal at www.citrusheights.net/208. Upon upload, City staff will verify that all required items have been included. Once verified, an invoice will be emailed to the applicant for the processing deposit. The required deposit must be paid in full in order to continue processing the application.

[1] Notification of whether an application is considered complete will be provided to the applicant within 30 days of receipt of a submitted application and processing deposit.

Within 30 days of receipt of payment, the City will provide the applicant with a Letter of Completeness or a Letter of Incompleteness identifying missing items and deficiencies.

9. Applicability of State Law

This policy is intended to guide the implementation of the Small Starter Home Act within the City of Citrus Heights. While it summarizes key provisions of SB 684 and SB 1123, all applicable requirements of the California Government Code, including but not limited to Sections 65852.28, 65913.4.5, and 66499.41, shall apply in full to any project submitted under these Acts, regardless of whether such provisions are expressly stated in this document. In the event of any conflict between this policy and State law, the provisions of State law shall govern.

10. Public Access to Information

This policy will be published on the City's website and made available at the Planning Department counter. Guidance documents, checklists, and application forms will be provided to assist applicants.

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