

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400

Sacramento, CA 95811

(916) 263-2911 / FAX (916) 263-7453

www.hcd.ca.gov

December 11, 2025

Jonathan Fox, Senior Planner
Planning Department
Town of Los Altos Hills
26379 Fremont Road
Los Altos Hills, CA 94022

Dear Jonathan Fox:

RE: Los Altos Hills – 25391 Okeefe Lane – Letter of Technical Assistance

The California Department of Housing and Community Development (HCD) received a request for technical assistance regarding a proposed Senate Bill 9 (SB 9) urban lot split¹ application at 25391 Okeefe Lane. Specifically, the applicant requested guidance on whether the Town of Los Altos Hills (Town) can require connections to the potable water supply and sanitary sewer system located in the public right-of-way and extend those connections to the property line as a condition of approval of the urban lot split. The purpose of this letter is to provide technical assistance to the Town regarding its implementation of SB 9 by clarifying that offsite improvements cannot be required to be constructed prior to the approval or recordation of an SB 9 urban lot split application.

Background

HCD understands the applicant has submitted a parcel map application for an SB 9 urban lot split to subdivide the parcel at 25391 Okeefe Lane into two parcels. Prior to recordation of the parcel map, the Town is requiring the subdivider to construct connections from the potable water supply and sanitary sewer lines, which are located in the public right-of-way, to the front property line. In the Town's draft Conditions of Approval (TM24-0003) provided by the applicant to HCD, item numbers four (4) and six (6), respectively, require that "[a]ll lots within the subdivision shall be connected to the public water system..." and "...to the public sanitary sewer system...Services shall be installed to the property lines or be bonded for prior to recordation of the Final Map." Additionally, an encroachment permit is required to be issued by the Public Works Department for all work proposed within the public right-of-way. HCD understands that the Town is requiring these connections be constructed or bonded in order for the map to be recorded.

¹ Gov. Code, § 66411.7.

SB 9 Precludes Offsite Improvements for an Urban Lot Split

The law specifies that a local agency cannot require offsite improvements in approving an SB 9 urban lot split. Specifically, Government Code section 66411.7, subdivision (b)(3), provides the following:

“Notwithstanding Section 66411.1, a local agency shall not impose regulations that require dedications of rights-of-way **or the construction of offsite improvements** for the parcels being created as a condition of issuing a parcel map for an urban lot split pursuant to this section.” (Emphasis added.)

The required construction of (or bonding for construction of) connections to a potable water line and sanitary sewer line in the public right-of-way constitutes a requirement for “the construction of offsite improvements.” Furthermore, recordation of the parcel map is subject to compliance with this construction requirement and therefore constitutes a “condition of issuing a parcel map for an urban lot split” that is prohibited in Government Code section 66411.7, subdivision (b)(3).

HCD notes that the Town’s municipal code² states the following for urban lot splits:

“All newly created parcels shall be connected to public sewer or provide a private onsite wastewater treatment system (OWTS) that is fully contained within the new parcel boundaries to be approved by the Santa Clara County Environmental Health Department. (Los Altos Hills Municipal Code, section 10-1.1504, subdivision (i).)”

The Town’s municipal code language regarding urban lot splits conflicts with the requirements of SB 9 to the extent that it requires offsite improvements and conditions an SB 9 parcel map on the construction of such offsite improvements.

HCD fully agrees with the importance of providing access to a public potable water supply and sanitary sewer system, where available, for purposes of development. While these offsite improvements cannot be required during an urban lot split application, they can be required as a part of future land development approvals.

Conclusion

The Town must remove from its Municipal Code any requirement that new parcels created pursuant to SB 9 be physically connected to public water/sewer in the public right-of-way prior to recordation of the parcel map (i.e., to physically install pipes that would extend from those in the public right-of-way to the edge of the newly created parcel(s)).

² Los Altos Hills Municipal Code, Article 15, § 10.1.1504(i), available at <https://ecode360.com/44000109#44000132>.

HCD remains committed to supporting the Town of Los Altos Hills in facilitating housing at all income levels and hopes the Town finds this clarification helpful. In addition, HCD has enforcement authority over Government Code sections 65852.21 and 66411.7, among other state housing laws. Accordingly, HCD may review local government actions to determine consistency with these laws. Pursuant to Government Code 65585, subdivision (j), if HCD finds that a jurisdiction's actions do not comply with state law, HCD may notify the California Office of the Attorney General.

HCD requests a written response from the Town by January 12, 2026, indicating how the Town plans to implement the guidance provided in this letter. If you have any questions about this letter or require additional technical assistance, please contact Brandon Estes at Brandon.Estes@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Heaton".

Brian Heaton,
Section Chief, Land Use Policy
Housing Accountability Unit