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Matthew Glesne
City of Los Angeles
Senior City Planner, Los Angeles City Planning
Los Angeles City Hall
200 N. Spring Street, Suite 525
Los Angeles, CA 90012

Dear Matthew Glesne:

RE: City of Los Angeles – Starter Home Revitalization Act (SHRA) – Letter of Technical Assistance

The California Department of Housing and Community Development (HCD) received a request for technical assistance regarding the Starter Home Revitalization Act (SHRA)[1] as the City of Los Angeles (City) prepares for implementation.[2] This letter provides technical assistance and general guidance to support the City's efforts to implement these new statutes in a manner consistent with state housing law. The information below addresses a range of inquiries related to statutory interpretation, interaction with other housing laws, and practical considerations for application of the SHRA to eligible housing development projects.

Analysis

The City submitted the following questions to HCD:

Question 1: Regarding Government Code section 65852.28, subdivision (b)(2)(A)(i), how many units are subject to the physical preclusion provision? Does it only protect units up to the default density or does it cover projects built to the maximum allowable zoned density if the underlying zoning is greater than 30 dwelling units per acre (du/ac) ("default density")?

[1] As created by Senate Bills 684 (Chapter 783, Statutes of 2023) and subsequently amended by Senate Bill 1123 (Chapter 294, Statutes of 2024)
[2] Gov. Code, §§ 65852.28, 65913.4.5, and 66499.41

The answer is "both." Government Code section 65852.28, subdivision (b)(2)(A)(i) only refers to the default density, which is established in Government Code section 65583.2, subdivision (c)(3)(B). However, this must be considered in conjunction with Government Code section 65852.28, subdivision (b)(1), which authorizes local agencies to impose objective standards only to the extent that they do not conflict with Government Code sections 65852.28 and 66499.41. Government Code section 66499.41 sets forth the eligibility criteria for use of the SHRA, including that a qualifying project must achieve at least 66 percent of the greater of either the default density or the maximum allowable density under local zoning.[3]

Accordingly, where a project satisfies the statutory criteria, a local agency may apply objective standards only to the extent that those standards do not prevent the project from meeting the requirements of Government Code section 66499.41. Because some projects may be required to use the higher, underlying zoned capacity, the agency must only apply standards that still allow the project to be developed at the density needed to maintain eligibility. Limiting these protections to only the portion of units within the default density would create a confusing and inconsistent outcome and undermine the statutory framework. Therefore, to give full effect to both statutes, the protections under Government Code section 65852.28, subdivision (b)(1) should be understood as applying to the project regardless of whether it is developed at the default density or at the higher density required by local zoning.

Question 2: Regarding Government Code section 66499.41, subdivision (a)(5), when the default density is to be utilized as a minimum density, is the applicable minimum density 20 du/acre (66 percent of 30 du/acre) or something higher, as could be inferred from HCD's letter to the City of Oakland?[4]

The answer is "both," depending on whether the underlying zoning is greater than the default density. The statute requires that the proposed development must result in at least 66 percent of the maximum allowable residential density under local zoning or 66 percent of the default density established under Government Code section 65583.2, subdivision (c)(3)(B), whichever is greater.[5] Where local zoning permits densities above the default density, the 66 percent threshold must be calculated from the higher local density. Where local zoning is more restrictive than the default density, the 66 percent threshold is calculated from the default density.

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[3] Gov. Code, § 66499.41, subd. (a)(5)(B)(i).
[4] See HCD's Letter of Technical Assistance to the City of Oakland (Feb. 19, 2025), available at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/oakland-hau-1147-sb-684-ta-02192025.pdf.
[5] Gov. Code, § 66499.41, subd. (a)(5)(B)(i).

Question 3: Can accessory dwelling units (ADUs), if permitted by the jurisdiction, be used to meet the minimum density requirement in Government Code section 66499.41, subdivision (a)(5)?

The answer is "no." Pursuant to Government Code section 66499.41, subdivision (g) ADUs or junior ADUs (JADUs) on parcels created pursuant to this section, those units "shall not count as residential units for the purposes of paragraph (1) of subdivision (a)." Accordingly, ADUs and JADUs may not be included in the calculation of the "10 or fewer units" threshold required for eligibility under subdivision (a)(1). Moreover, because these units are not recognized as part of the principal residential unit count, they similarly may not be considered when evaluating whether a project satisfies the minimum density requirement under subdivision (a)(5). HCD has given similar guidance in relation to other state housing laws, including the State Density Bonus Law (SDBL), where ADUs are not included in calculations of base density or maximum allowable residential density.[6] The exclusion of ADUs reinforces their role as accessory uses rather than principal dwelling units for the purposes of density and eligibility thresholds.

Question 4: Does the SHRA allow multifamily buildings in single-family zones, where the zoning code "use" restrictions do not permit this use?

The answer is "it depends." The SHRA applies to lots that are vacant and zoned for single-family use or are zoned for multifamily residential use. With the passing of SB 1123 Chapter 294, Statutes of 2024), Government Code section 66499.41, subdivision (a)(2), was amended such that projects in single-family residential zones, in addition to multifamily residential zones, would be able to make use of the SHRA. Eligibility depends upon whether a site is located in a zone that allows for residential uses as a principally or conditionally permitted use. If it does, the project must then demonstrate that it meets other criteria, including minimum density, lot size, and average unit size requirements. Once these requirements are satisfied, the project may proceed, and the site may be subdivided into fee simple ownership lots, a common interest development, or other allowable configurations. In this way, the SHRA is "agnostic" as to which specific, locally defined residential land uses are permitted.

While local governments may apply objective zoning and design standards, Government Code section, 65852.28, subdivision (b) clarifies that those standards must be modified as necessary to avoid physically precluding development of a qualifying project at the density authorized under the SHRA. This provision of the law precludes a local government from requiring a project to fit within one specific residential use type (e.g.,

[6] See HCD's letter to the City of Carlsbad (Feb. 16, 2024), available at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/carlsbad-hau565-ta-02162024.pdf.

detached single-family residence, attached single-family residence, duplex, triplex, multifamily residential, townhome, rowhouse, condominium, cottage court, etc.) and underscores the necessity for design flexibility within the density and design parameters of the SHRA. For example, a qualifying project may consist of condominiums or attached townhomes, even if the local zoning ordinance does not otherwise permit these housing types (i.e., it allows only single-family detached residences). Once the statutory thresholds are met, the SHRA ensures that eligible projects may be developed notwithstanding local use restrictions.

Question 5: Can the SHRA be combined with two-unit developments pursuant to SB 9?

The answer is “yes,” if the local agency chooses to allow it. Government Code section 66499.41, subdivision (h)(1) provides the ability, but not the obligation, to allow this practice by stating that 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.” This provision is permissive in nature and does not prohibit a local agency from allowing an urban lot split on such a parcel if it so chooses. If a local agency elects to allow an urban lot split on a parcel created pursuant to section 66499.41, it may also permit up to two units on each lot consistent with the provisions of SB 9, provided that all applicable eligibility and development standards are met.

Question 6: Does the SHRA allow for multiple 10-unit SHRA projects to be constructed on adjacent parcels by the same developer?

The answer is “yes,” provided that each project application is processed separately. The statute does not include any provision that would prohibit multiple projects pursuant to the SHRA from being proposed on adjacent parcels, including when submitted by the same applicant or property owner. Nevertheless, each proposed subdivision must be reviewed and approved independently, with each parcel evaluated for compliance with all applicable eligibility criteria, including the maximum of 10 residential units, minimum lot size, and density requirements. While common ownership or adjacency does not preclude application of the statute, jurisdictions should ensure that each proposal stands on its own merits and conforms to the statutory framework without relying on aggregation across parcels.

If you have any questions or need additional information, please contact Mackenzie Goldberg at mackenzie.goldberg@hcd.ca.gov.

Sincerely,

David Zisser
Assistant Deputy Director
Local Government Relations and Accountability