

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

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May 5, 2026

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Assistant Community Development Director
City of Orange
300 E. Chapman Ave.
Orange, CA 92866

RE: 2025-2027 E. Walnut Avenue – Letter of Technical Assistance

The California Department of Housing and Community Development (HCD) received a request for technical assistance from Travis Roberts (Consultant) on behalf of the project applicant regarding the proposed Senate Bill (SB) 9 urban lot split (ULS) located at 2025-2027 E. Walnut Avenue in the City of Orange (City). The purpose of this letter is to provide technical assistance to the City regarding the conversion of an Accessory Dwelling Unit (ADU) into a primary unit in connection with an SB 9 urban lot split.

Background

The subject property contains a single-family residence in the front and a detached accessory structure in the rear. The detached accessory structure contains a 640 sf ADU and 441 sf garage, and was constructed in 2020. On October 8, 2025, the applicant submitted an SB 9 application to the City proposing an urban lot split, with the ADU and garage proposed to be located on a separate parcel (i.e., a newly created parcel) from the single-family residence. However, the City declined to accept and process the application because it would result in the creation of a parcel with only an ADU and no primary dwelling – which is not permissible under ADU law¹. To remedy the situation, the applicant proposed to convert the ADU into a primary dwelling. When presented to the City, the City indicated that this cannot be done because the City code does not currently provide a process for approving such a conversion.

Analysis

SB 9 was intended to create an opportunity for small scale homebuilding and homeownership opportunities by allowing for additional primary dwellings to be constructed and by allowing for the subdivision of single-family properties. Existing properties can contain a variety of built structures, such as in this case where a detached ADU is already present on the parcel. This common circumstance does not provide a basis for ineligibility. The statute requires that a local agency ministerially approve a parcel map for an urban lot split if it meets the eligibility criteria and standards specified under SB 9². The site eligibility criteria for an urban lot split do not include any restriction on the presence of existing ADUs or JADUs. In this instance, the applicant's

¹ Gov. Code, 66313, subd. (a)

² Gov. Code § 66411.7.

proposal to convert the ADU into an SB 9 primary dwelling in order to facilitate the urban lot split syncs with statutory requirements and results in a complaint outcome. HCD sees no technical or policy outcome-based reason to prohibit the proposed conversion, provided the project meets local and statutory requirements. Facilitating these types of conversions helps to implement SB 9 and provide new homeownership opportunities in Orange.

Once under review, SB 9 states that for a proposed ULS, a local agency may apply objective standards related to the design or to improvements of a parcel provided they are in conformance with statute.³ If the City denies an ULS application, the local agency is required to make specific denial findings related to public health and safety.⁴

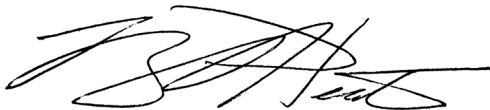
Conclusion

In conclusion, the City must provide the applicant with a regulatory pathway to convert the ADU to a primary dwelling in order to process the urban lot split application.

HCD remains committed to supporting the City of Orange in facilitating housing at all income levels and hopes the City finds this clarification helpful. In addition, HCD has enforcement authority over SB 9 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 City by June 5, 2026, indicating how the City plans to implement the guidance provided in this letter. If you have any questions about this letter or require additional technical assistance, please contact Troy Andres at troy.andres@hcd.ca.gov.

Sincerely,



Brian Heaton
Section Chief, Land Use Policy
Housing Accountability Unit

³ Gov. Code §66411.7, subd. (c)(1)

⁴ Gov. Code § 66411.7, subd. (d)