

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Deputy City Manager

DATE: December 12, 2023

SUBJECT: Introduce Ordinance Amending Title 16 and 17 of the Temecula Municipal Code to Implement the Requirements of Senate Bill 9

PREPARED BY: Matt Peters, Assistant Director of Community Development

RECOMMENDATION: That the City Council introduce an ordinance entitled:

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMECULA AMENDING TITLES 16 AND 17 OF THE TEMECULA MUNICIPAL CODE TO IMPLEMENT THE REQUIREMENTS OF SENATE BILL 9 (“SB 9”) (2021) AND MAKE A FINDING THAT THE PROJECT IS EXEMPT FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO GOVERNMENT CODE SECTIONS 65852.21(J) AND 66411.7(N), AND CEQA GUIDELINES SECTIONS 15303 AND 15061(B)(3)

SUMMARY OF ORDINANCE: The proposed ordinance would make amendments to Title 16 (Subdivisions) and Title 17 (Zoning) of Temecula Municipal Code to implement the requirements of Senate Bill (SB) 9, which requires the ministerial approval of up to four-unit development and urban lot splits on all single-family residential zoning districts.

Current zoning regulations permit up to three units on a parcel zoned for a single-family dwelling: one primary dwelling; one Accessory Dwelling Unit (ADU); and one Junior Accessory Dwelling Unit (JADU).

Senate Bill 9 (SB 9) was signed by Governor Newsom on September 16, 2021 and became effective January 1, 2022 (see Attachment 4). It requires that a local jurisdiction allow ministerial approval (no discretionary review) of four units on parcels zoned for single family dwellings per lot and/or the subdivision of a single-family zoned parcel into two equal sized parcels (a 40 to 60 percent split of lot size is allowed). This type of subdivision (“urban lot split”) may result in each lot containing a duplex or two detached residential units.

SB 9 allows cities to adopt objective development standards that regulate such projects provided they do not conflict with the Senate Bill. All new development resulting from an urban lot split must follow the City's Objective Design Standards adopted by City Council (Ordinance 2022-02 and Resolution 2022-08), provided the new development meets the definition of a multi-family dwelling unit.

BACKGROUND: Senate Bill 9 (SB 9) specifically authorizes local agencies to impose objective zoning, subdivision, and design standards consistent with the bill's provisions, and to adopt an ordinance to implement its provisions. The default standards contained in the new state law lack sufficient objective zoning, subdivision, and design standards to preserve the health, welfare and safety of the community. The City of Temecula desires to adopt objective zoning and design standards that will apply to the ministerial review of qualifying urban lot splits and SB 9 two unit residential developments in the City's single-family residential zones.

On February 22, 2022, pursuant to Government Code Section 65858, the Temecula City Council enacted Interim Urgency Ordinance No. 2022-03. Adoption of the Interim Urgency Ordinance imposed a moratorium on the approval of applications for housing development projects and urban lot splits permitted by Senate Bill 9 that do not meet the objective zoning and design standards contained in the ordinance.

Adoption of the Interim Urgency Ordinance also means that the added protection developed by the City was put in place immediately and applied to any SB 9 applications for a period of 45 days (expiring on April 8, 2022). State Urgency Ordinance provisions are structured so that during the 45-day period, further studies may be conducted to determine if additional standards or regulations are warranted. After 45 days, the City Council can extend the ordinance for another 320 days and another one-year extension of the ordinance is allowed after the 320-day extension. The City extended the Interim Urgency Ordinance twice and it is scheduled to expire on February 21, 2024. Pursuant to State law, the City cannot further extend the Interim Urgency Ordinance and must adopt permanent regulations prior to the expiration of the Interim Urgency Ordinance.

Staff has prepared an ordinance consistent with State Law, and with additional provisions to promote orderly growth and development as detailed below:

1. Proposed Change Analysis

The SB9 Urban Lot Split Ordinance will require new lot lines to be straight from the front property line to the rear with no curves, jogs, or major angles. This will ensure proper lot design and physical improvements, lot access from public right-of-way, adequate width, and setbacks to accommodate utilities, and help achieve livability and protection of land values. Finally, straight lot lines will help avoid confusion between property owners with regard to ownership, access, trespass, and maintenance.

A 10-foot setback between habitable structures is required to ensure proper separation for light, air, structure maintenance and access, and fire protection consistent with the California Building Code.

SB9 requires two Primary Dwellings be allowed on a single lot. Two additional units are allowed for a total of four units under an Urban Lot Split scenario. The City's SB9 ordinance will limit

the two additional units to 1,200 square feet each consistent with Accessory Dwelling Unit (ADU) law in an effort to promote consistency for administration, and to accommodate smaller, more affordable dwelling units.

The City has included Objective Design Standards in the SB9 Ordinance to ensure consistency of colors, materials, roof pitch, window sizes and other design element to match the existing or proposed primary dwelling units in order to promote consistency and quality of development.

2. Affordability Covenant

The City is exploring an Affordability Covenant for SB9, Urban Lot Split development. The affordability covenant requirement is being explored to help implement the State's goal of providing affordable housing and to help the City meet its State-mandated Regional Housing Needs Assessment (RHNA) number of providing 4,193 affordable units during the 6th Cycle Housing Element from 2021-2029.

The Department of Housing and Community Development (HCD) considers any requirement for affordable housing above a 15% threshold to be an inclusionary housing requirement. The City is exploring requiring one of four units, or 25% to be affordable. Consequently, the City is required to complete an economic feasibility study to provide evidence that the ordinance does not unduly constrain the production of housing. The City is working with Keyser Marston Associates (KMA). If the study indicates that the affordability covenant does not unduly constrain the production of housing by making it too expensive to build, then the City will also explore an in-lieu fee as a state-mandated option to the affordability covenant.

The Draft Ordinance was presented to the Planning Commission on November 15, 2023. Much of the discussion and questions were concerning flag lots, shared driveways, parking, primary and other dwelling unit sizes, setbacks, and straight/perpendicular lot lines. The Planning Commission passed a Resolution recommending that the City Council approve the Ordinance to amend Titles 16 and 17 to implement the requirements of Senate Bill 9 (SB9).

Planning Staff met with the General Plan Update Subcommittee consisting of Council Members Stewart and Alexander on October 10, 2023, and November 28, 2023, to discuss SB9.

FISCAL IMPACT: There will be no direct fiscal impact due to the adoption of this ordinance, however the increase of residences permitted under this ordinance will increase demand for City services and in turn increase cost to the City but are unknown at this time.

ATTACHMENTS:

1. Ordinance
2. PC Resolution No. 2023-22
3. Notice of Public Hearing
4. Notice of Exemption
5. Senate Bill 9
6. Interim Urgency Ordinance No. 2022-03, 2022-05 and 2023-01
7. CC SB9 Alleviation Report