

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Deputy City Manager

DATE: January 10, 2023

SUBJECT: Issue Public Report Pursuant to Government Code Section 65858(d) Regarding Interim Urgency Ordinance No. 2022-03 Establishing Regulations Related to Urban Lot Splits and Housing Units Built in Accordance with Senate Bill 9

PREPARED BY: Matt Peters, Principal Planner

RECOMMENDATION: That the City Council issue this report pursuant to Government Code Section 65858(d) regarding Interim Urgency Ordinance No. 2022-03 establishing regulations related to urban lot splits and housing units built in accordance with Senate Bill 9 (SB 9).

BACKGROUND: On February 22, 2022, pursuant to Government Code Section 65858, the Temecula City Council enacted Interim Urgency Ordinance No. 2022-03 to impose 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 regulations and standards set forth in the ordinance.

The Interim Urgency Ordinance would have expired after 45 days on April 8, 2022. However, extra time was necessary to thoroughly research and evaluate a permanent, non-urgency ordinance that updates/amends the Municipal Code establishing objective land use regulations and technical/design standards pertaining to SB 9 housing development projects and urban lot splits in the City. Government Code Section 65858(d) requires that “ten days prior to the expiration or extension of any interim zoning ordinance, the legislative body [City Council] must issue a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance.” On March 8, 2022, the City issued an Alleviation Report identifying measures taken to alleviate the conditions that led to the adoption of Interim Urgency Ordinance No. 2022-03.

On March 22, 2022, the City Council extended the Interim Urgency Ordinance for a period of 10 months and 15 days, through and including, February 22, 2023.

Government Code Section 65858 allows for two extensions of Interim Urgency Ordinance No. 2022-03 not to exceed 22 months and 15 days. Having already extended the Interim Urgency Ordinance for a period of 10 months and 15 days, Staff will be seeking up to an additional 12 months, through and including February 22, 2024, to research and prepare a permanent ordinance to address SB 9, Urban Lot Splits. In compliance with Government Code Section 65858(d), the City Council hereby issues this report for Interim Urgency Ordinance No. 2022-03.

Measures taken to alleviate the conditions that led to the adoption of Interim Urgency Ordinance No. 2022-03:

Since the Interim Urgency Ordinance was adopted, City Staff has continued its research on how best to implement SB 9 on a permanent basis in order to ensure that the City's varied and unique residential character is maintained while complying with the provisions of SB. City staff has begun identifying updates that will specifically address the housing development and design of structures and urban lot splits permitted by SB 9. While considering zoning and subdivision provisions, the City will be evaluating issues identified in the Interim Urgency Ordinance, including the following:

- Further research and analyze the standards adopted by other jurisdictions;
- Assess the compatibility of proposed structures and subdivisions with existing neighborhoods;
- Determine an estimated number and location of new units resulting from implementation of SB 9;
- Identify the potential for applying objective development standards created to address the new construction of multiple-family dwellings;
- Determine the adequacy of City infrastructure to provide services including but not limited to the following: water; gas, electrical and cable utilities; sanitation; trash disposal; school capacity; and police and fire services; and
- Evaluate the affordability of housing units that are constructed as a result of SB 9 in Temecula.

On May 14, 2022, City Staff had a video conference with Staff from The California Department of Housing and Community Development (HCD). Participants from HCD included Brian Heaton and Mike Van Gorder from the Housing Accountability Unit. HCD Staff had questions about the Interim Urgency Ordinance and expressed concern that Section 3(C)(4), which requires one of the two parcels created to include a deed restriction for one income restricted dwelling unit that shall be rented or lease at an affordable rent for very low, low or moderate income households may be considered an Inclusionary Zoning Ordinance. No written comments have been received from HCD since that meeting.

Also, the City of Temecula is a member of the Western Riverside Council of Governments (WRCOG). Utilizing Regional Early Action Plan (REAP) grant funding, WRCOG hired a consultant to prepare a model ordinance for member agencies to utilize in drafting a permanent ordinance to address SB 9, Urban Lot Splits. In addition to the model ordinance, the consultant was also hired to prepare an SB 9 fact sheet and site plan scenarios. The consultant presented a summary of the draft model ordinance to the Planning Director's Committee (PDC) on December 8, 2022. Staff will be utilizing the draft model ordinance and discussing extensively with WRCOG and other City Planning Department Staff in the coming months.

At this time, a preliminary project schedule has been prepared that may include a study session and/or public hearing with the Planning Commission and City Council. The further evaluation of potential unexpected increases in residential density will be essential to ensure the health, safety and welfare of the community as well as to ensure the efficient and adequate delivery of governmental services.

To ensure that regulations are in place while City staff drafts and the Planning Commission and City Council considers the adoption of a permanent ordinance, the Urgency Ordinance will need to be extended. This will serve to protect the City's unique residential character but also ensures the City's compliance with SB 9 as set forth in the statute.

FISCAL IMPACT: There is no fiscal impact associated with the issuance of this report.

ATTACHMENTS: None