



CITY COUNCIL STAFF REPORT



April 26, 2022

ITEM TITLE

Municipal Code Amendment: Amend the Chula Vista Municipal Code Related to Allowing Two-Unit Developments and Urban Lot Splits, as Required by Senate Bill 9, Recent State Legislation adopted to Increase Housing Opportunities

Report Number: 22-0095

Location: No specific geographic location

Department: Development Services

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Conduct the public hearing and place an ordinance on first reading to amend various sections in the Chula Vista Municipal Code related to allowing two-unit developments and urban lot splits, in accordance with Senate Bill 9. **(First Reading)**

SUMMARY

On August 30, 2021, the California legislature adopted Senate Bill 9 (“SB 9”) and on September 16, 2021, it was signed into law by Governor Newsom. The bill took effect on January 1, 2022 and seeks to provide more housing opportunities to address the critical housing shortage in the state by establishing a state-mandated local program. As a result, all California jurisdictions must comply with the requirements of the bill whether or not local jurisdictions pass ordinances implementing SB 9’s requirements.

The new law requires jurisdictions to ministerially approve two-unit developments on single-family residentially zoned lots as well as allowing an owner of a single-family zoned property to split their single-family zoned lot into two single-family zoned lots of relatively equal size. Development of up to two dwelling units would then be allowed on both lots resulting from the split, for a total capacity of four dwelling units where there used to be only one unit allowed. The four dwelling unit cap also applies if Accessory Dwelling Units and Junior Accessory Dwelling Units are proposed.

This hearing is being held to consider a draft ordinance which implements SB 9.

ENVIRONMENTAL REVIEW

The Director of Development Services reviewed the proposed legislative action for compliance with the California Environmental Quality Act (“CEQA”) and determined that the action is not a “Project” as defined under Section 15378 of the CEQA State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. In addition, notwithstanding the foregoing, the Director of Development Services has also determined that the action is not a “Project” pursuant to Government Codes Sections 65852.21(j) and 66411.7(n).

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On April 13, 2022, the City of Chula Vista Planning Commission recommended adoption of the SB 9 Ordinance amendments by a vote of 5-0-0.

DISCUSSION

SB 9 addresses two separate issues: the development of up to two units on single-family zoned lots (“Two-Unit Developments”) and the division of existing single-family zoned parcels into two new single-family zoned lots via a parcel map (“Urban Lot Splits”).

SB 9 allows local jurisdictions to pass their own ordinance which both codifies the requirements of the state law as well as establishes objective standards by which Two-Unit Developments and Urban Lot Splits may occur. So long as the City’s objective development and zoning standards do not physically preclude the construction of up to two units on a lot or preclude each unit from being constructed at a minimum of 800 square feet (“sf”), then the City can establish objective criteria for the program. Likewise, such objective development or zoning criteria must allow a property owner to split their single-family zoned lot into two lots, each with a minimum of 1,200 sf.

To comply with the requirements of SB 9, staff has drafted an ordinance amending Chula Vista Municipal Code (“CVMC”) Chapters 18.18 (Tentative Parcel Maps) and 19.58 (Uses), and Sections 5.68.050 (Short-Term Rentals – Eligibility), 19.22.020 (R-E – Residential Estate Zone – Permitted Uses) and 19.24.020 (R-1 – Single-Family Residential Zone – Permitted Uses) (the “Proposed Ordinance”). The following are some of the major provisions of SB 9 which are reflected in the Proposed Ordinance:

- *Applicability* – Two-Unit Developments and Urban Lot Split parcel maps are allowed on any single-family zoned parcel which:
 - Can accommodate the resulting second unit
 - Can accommodate a second lot with a minimum size of 1,200 sf
 - Is not subject to an historic designation
 - Would not require the elimination of affordable housing units
 - Have not already been split by the allowances set forth in SB 9
- *Number of units and parcels* – no more than two dwelling units may be developed on a single-family zoned lot. Any parcel to be divided through the Urban Lot Split parcel map process must be a minimum of 2,400 sf in area. Any lot created through an Urban Lot split parcel map cannot be less than 40% of the original lot’s size. If a parcel is split through the Urban Lot Split parcel map process,

both resulting parcels may have a Two-Unit Development on them for a total of four dwelling units across the two parcels.

- *Accessory Dwelling Units and Junior Accessory Dwelling Units* – if a parcel is split through the Urban Lot split parcel map process, and both resulting parcels have Two-Unit Developments on them, no Accessory Dwelling Units (“ADUs”) or Junior Accessory Dwelling Units (“JADUs”) may be permitted. If, however, a property owner does not split the parcel and wishes to combine the benefits of SB 9’s Two-Unit Development and ADU/JADU ordinances, no more than four units, in any combination, may be permitted on a single-family lot.
- *Demolition* – the provisions of SB 9 cannot be invoked if the resulting Two-Unit Development would require the demolition of 25% or more of the existing exterior structural walls, unless local demolition ordinances allow, or the existing units have not been inhabited by a tenant in the last three years.
- *Housing* – the provisions of SB 9 cannot be invoked if the development of the parcels would require the demolition or alteration of housing that restricts rents to levels affordable to persons and families of moderate, low, or very low income; housing that is subject to any form of rent or price control through a public entity’s valid exercise of its police power; or housing that has been occupied by a tenant in the last three years.
- *Setbacks* – new units shall comply with the underlying front yard and street-side setbacks as set forth in the CVMC for single-family zones; side and rear yard setbacks shall have a maximum of four feet or the setback for the zone, whichever is less.
- *Easements and Access* – a parcel created through an Urban Lot Split parcel map subdivision shall provide necessary easements required for the provision of public services and facilities to the newly created lot and shall provide access to or adjoin the public right-of-way for the newly created lot.
- *Parking* – one off-street parking space per unit may be required unless the lot is within one-half mile of a high-quality transit corridor or transit stop, or on the same block as a car share vehicle.
- *Occupancy and Short-Term Rentals* – an applicant for an Urban Lot Split parcel map must sign an affidavit stating that they intend to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of said Urban Lot Split parcel map. Per SB 9, any unit created through the Two-Unit Development process must be used for residential purposes only and if rented, must be rented for a term of 30-days or longer. These provisions preclude units created through the Two-Unit Development process from being used for commercial purposes or being operated as Short-Term Rentals.
- *Covenant* – Staff has included a provision in the proposed ordinance requiring property owners to record a covenant against their property detailing the owner occupancy requirements, as well as the permitted sizes and attributes of the units and parcels, and minimum rental restrictions.

- *Housing Element Inventory* – the number of dwelling units constructed, and the number of Urban Lot Split applications received pursuant to this ordinance shall be included in the Housing Element reporting process during the 2021-2029 Housing Element cycle.

Conclusion

Staff recommends that the City Council place the Proposed Ordinance amending CVMC Chapters 18.18 and 19.58; and Sections 5.68.050, 19.22.020 and 19.24.020 on first reading.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the California Political Reform Act (Cal. Gov't. Code § 87100, *et seq.*). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current fiscal year impact to the General Fund or Development Services Fund as a result of the adoption and implementation of the Proposed Ordinance.

ONGOING FISCAL IMPACT

All future costs incurred processing Two-Unit Developments and Urban Lot Splits will be borne by the project applicants, resulting in no net fiscal impact to the General Fund or Development Services Fund.

SB 9 was designed to encourage additional residential development in single-family zoned neighborhoods. As this development occurs, the City's General Fund will be incrementally impacted, with fiscal impacts varying by project. While additional revenues can be expected based upon the valuation of the improvements constructed and the resulting ad valorem property taxes, as well as sales tax generated by the discretionary spending of additional residents, these revenues will likely be offset by the associated increase in demand for City services. Net impacts are not anticipated to be significant but will be difficult to quantify.

ATTACHMENT

1. Map of R-1 and R-E zones

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