

Staff Report

File #: 22-554, Version: 1

Item #: A-1.

CC - (1) Discussion of a Resolution Directing the Preparation of an SB 9 Implementation Ordinance and Direction to the City Manager as Deemed Appropriate.

Meeting Date: December 10, 2021

Contact Person/Dept:	William Kavadas, Assistant Planner Jesse Mays, Assistant City Manager		
Phone Number:	Current Planning Division (310) 253-5706 City Manager's Office (310) 253-6000		
Fiscal Impact: Yes [] N	o [X]	General Fund: Yes []	No [X]
Public Hearing: []	Action Item: [X]	Attachments: [X]	
Commission Action Required: Yes [] No [X] Date:			
Public Notification: (E-Mail) Meetings and Agendas - City Council (12/07/2021);			
Department Approval: Sol Blumenfeld (12/01/21), John Nachbar (12/07/2021)			

RECOMMENDATION

Staff recommends the City Council (1) discuss a resolution directing the preparation of an SB 9 implementation ordinance; and (2) provide direction to the City Manager as deemed appropriate.

BACKGROUND/DISCUSSION

At the October 25, 2021 City Council meeting, Council Member Eriksson received support from the Council to discuss at a future City Council meeting a resolution directing the preparation of an SB 9 implementation ordinance, similar to the draft resolution prepared for the City of Los Angeles (Attachment 1). From the information available, it appears the City of Los Angeles has not yet adopted this resolution.

On September 16, 2021, Governor Newsom approved Senate Bill 9 ("SB 9"), entitled the California Home Act, which becomes effective on January 1, 2022. SB 9, among other things, allows up to two units ministerially on a single-family zoned lot and introduces the concept of urban lot splits where an existing single family zoned parcel can be subdivided to provide two lots of at least 1,200 square feet

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with up to two units per new parcel, if the proposed development meets certain requirements. A copy of the complete text of SB 9 is included as Attachment 2.

SB 9 sets out the following requirements for a project to qualify for ministerial approval:

- The property must be in a single-family residential zone.
- The subject parcel must be located in a city that includes some portion of either an urbanized area or urban cluster.
- The subject parcel cannot be located on prime farmland, farmland of statewide importance, or land zoned or designated for agricultural protection or preservation, wetlands, a high fire severity zone unless state mitigation measures are adopted, hazardous waste sites, delineated earthquake faults, a special flood hazard area, a regulatory floodway, land identified for conservation, habitat for a protected species, or land under conservation easement.
- The proposed housing development must not require demolition or alteration of housing restricted to affordable rent by a covenant, ordinance, or other law; housing subject to any form of rent or price control; or housing that has been occupied by a tenant in the last three years.
- An owner or residential property on the parcel must not have exercised the owner's rights under Government Code Section 7060 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.
- The proposed development must not allow the demolition of more than 25% of existing exterior structure walls unless allowed by local ordinance or the site has not been occupied by a tenant in the last three years.
- The parcel must not be located in a historic district, included in the State Historic Resources Inventory, or on a site designated as a city or county landmark or historic property.

In addition, urban lot split projects must follow the additional following requirements:

- The map can only create two parcels.
- Neither new parcel may be smaller than 40% of the lot area of the original parcel being divided and no smaller than 1,200 square feet unless allowed by local code through ministerial approval.
- The parcel being divided must not have been established through a prior lot split under this law.
- Neither the owner of the parcel being divided nor any other person acting in concert with the owner shall have previously subdivided any adjacent parcel under the law.

The City is permitted to establish objective zoning, subdivision, and design review standards; however, the following limitations apply:

- The City cannot impose development standards that would preclude the construction of up to two units of at least 800 square feet.
- The City cannot require setbacks for converted structures or structures rebuilt in the same place to the same dimensions. New construction cannot be required to meet a setback of more than four feet from any side or rear yard setback.
- The City must allow units to be attached or detached.
- The City can require easements for provision of public services, facilities, and require access to the public right-of-way, but cannot require off-site dedications or improvements.

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• The City can require up to one off-street parking space per unit, except where the parcel is located within a half-mile walking distance of high-quality transit or a major transit stop. As seen in Attachment 3, a majority of the City falls within this area.

Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) would not be required to be permitted on lots where urban lot split provisions are employed. Short-term rentals (if allowed in the future through changes to the City's Municipal Code) would be prohibited on properties that utilize SB9 and such restriction would be recorded by covenant. Owner occupancy would also be required for at least one unit on lots where urban lot split provisions are employed. The City could also consider adopting affordability requirements for SB9 properties similar to the those referenced in the draft City of Los Angeles resolution.

Although not required, a local agency may choose to adopt an ordinance to implement the provisions of SB 9. Adopting a local ordinance is a vehicle for establishing local objective development standards, which may be applied to SB 9 projects. Objective standards are defined under SB 9 as:

"...standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a local agency, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances."

If there are inconsistencies between any local ordinance and SB 9, the requirements of state law shall preempt the local regulations.

Staff recommends City Council discuss this matter and provide direction if desired.

FISCAL ANALYSIS

There is no fiscal impact from discussing this item.

<u>ATTACHMENTS</u>

- 1. 2021-12-10 ATT SB 9 Text
- 2. 2021-12-10 ATT Example Local SB 9 Implementation Ordinance
- 3. 2021-12-10 ATT Culver City Transit Priority Areas Map

<u>MOTION</u>

That the City Council:

1. Discuss a local SB 9 implementation ordinance; and

2. <u>Provide direction to the City Manager as appropriate</u>.