



## Legislation Text

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**File #:** 19-0162, **Version:** 2

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Adopt resolution directing the Director of Development Services to submit the Ordinance amendments to the California Coastal Commission for certification with the California Coastal Commission's October 10, 2018 action. (Citywide)

On March 5, 2019, the City Council held a public hearing on Zoning Code Amendments pertaining to: 1) Alcohol Beverage Manufacturing, 2) the 2017 Triennial Building Code Update and the State's Model Water Efficiency standards, and 3) Accessory Dwelling Units (ADUs) (Attachment A - City Council Letter of March 5, 2019). The Zoning Code Amendments reflect the California Coastal Commission's (CCC) October 10, 2018, action certifying the Local Coastal Program amendments for the aforementioned Ordinances, along with several additional changes, recommended by Development Services staff. After a staff presentation, the City Council took public testimony, deliberated, and directed to staff to return in approximately 30-days with additional information on ADU permit applications and data on lot sizes.

This staff report provides background on the ADU Ordinance and the permitting history of ADUs to date. Attachments A through F provide an overview of all the proposed Zoning Code Amendments.

In 2016, Governor Brown signed new legislation pertaining to ADUs. State regulations went into effect on January 1, 2017 and rendered the City's existing standards null and void, until a local ordinance consistent with State law was adopted. The sweeping change to the existing legislation was made to promote the production of housing (ADUs) that is comparatively more affordable to construct and rent. The legislation reduced local agencies abilities to impose development standards on ADUs.

The City Council directed staff to prepare an Ordinance to regulate ADUs in February 2017. On May 2, 2017, the City Council adopted the 2017 Report on Revenue Tools and Incentives for the Production of Affordable and Workforce Housing and directed staff to implement the recommendations. One of the 29 recommendations was the adoption of an ordinance that supports the development of ADUs.

On June 1 and July 6, 2017, the Planning Commission held public hearings on a Zoning Code Amendment, to regulate ADUs and ultimately recommended it to the City Council for adoption. On October 10, 2017, the City Council held a public hearing on the proposed Ordinance and directed staff to: (1) return with information to increase the minimum lot size to 5,200 square feet; (2) increase the minimum open space required to 30 percent of the area of the ADU; (3) reduce in the maximum ADU size to 50 percent of the gross floor area of the

primary dwelling or 800 square-feet, whichever is less; and, (4) require parking for ADUs in preferential parking districts.

The ADU Ordinance was adopted in December 2017, tailoring the development standards of ADUs to the City's local development pattern, where possible, rather than being subject to the more permissive regulations of the State (Attachment G - Government Code Section 65852.2).

Since 2017, a total of 153 building permits have been issued for ADUs. Table 1 provides an overview of ADU application activity since January 1, 2017. Table 2 provides an overview of total ADU applications by Council District.

Table 1. Accessory Dwelling Unit Permits

Calendar Year	Building Permits Issued
January 1 <sup>st</sup> - December 31, 2017	17
January 1 <sup>st</sup> - December 31, 2018	117
January 1 <sup>st</sup> - March 4, 2019	19
Note: Numbers are an estimate based on field inquiry results.	

Table 2. Total ADU Applications by Council District

Council District	1	2	3	4	5	6	7	8	9
Number of ADU Applications	2	8	13	22	38	13	55	40	40

Attachment H provides maps illustrating the distribution of ADU applications throughout the City, since State law went into effect in 2017.

There are a total 59,803 lots in residential zoning districts developed with a single residence throughout the City, eligible for the development of an ADU, without consideration for other conditions, including lot size. At this point in time, the total number of ADUs permitted is 153, less than 1 percent of the total eligible lots in the City. The CCC acted to certify the City's ADU Ordinance with several amendments, including the revision of the minimum lot size in the Coastal Zone. CCC staff indicated that the revisions to the City's local ordinance were made in consultation with the California Department of Housing and Community Development (HCD).

By lowering the minimum lot size throughout the City for ADUs, from 5,200 square feet to 4,800 square feet, an additional 5,820 lots became eligible to build an ADU, based on lot size alone. Table 3 shows the reduction in lot size impact on the distribution of eligible lots citywide. There are many lot variables, which determine whether an ADU can be developed or will actually be developed and cannot be quantified at an aggregate level. This means that

although a lot may be eligible, there may be other circumstances, such as current building siting, or lot configuration that may deter owners from moving forward on an ADU.

Table 3. ADU Eligible Lot Distribution

	Percent of ADU Eligible Lots By Council District*								
	1	2	3	4	5	6	7	8	9
≥ 4,800 sq.ft.	1	6	11	13	29	6	15	10	10
≥ 5,200 sq.ft.	1	6	10	12	29	6	16	10	11
*Percentages rounded to the nearest whole number.									

The shift to the lower lot size is in line with the intent of the State legislation to eliminate arbitrary standards that restrict the development potential of ADUs. Pursuant to State law, the City will have to resubmit the revised ADU Ordinance to the HCD. The HCD previously contacted Planning Bureau staff expressing concern over the lot size standard, indicating a complaint had been made regarding the minimum lot size standard of the ADU Ordinance. Additionally, the City will soon be updating the Housing Element to 2020, as required by State law. As a part of that process, the Housing Element is submitted to HCD for certification. Legislative changes passed in 2017, related to housing, placed greater emphasis on a jurisdiction's compliance with the Housing Element regulations. As a result, cities found by HCD to be non-compliant, may face consequences, including loss of access to housing funds and potentially other funding sources, such as gas taxes.

The change to a 4,800 square-foot minimum lot size citywide creates parity between lots in the Coastal Zone and the remainder of the City. ADUs are suitable for a broad cross section of the community from single parents, grandparents, disabled individuals, and college students alike. The initial years of implementation of the City's ADU Ordinance have not shown adverse impacts. Notably, there was no minimum lot size applicable for ADUs from January 1, 2017 through January 19, 2018 (the day before the City's ADU Ordinance went into effect). For consistency of applicability and to maintain a single set of standards citywide, staff recommends that the minimum lot size of 4,800 square feet, which is the CCC-approved lot size for Coastal Zone conforming ADUs, be applied citywide, along with a requirement for annual monitoring and detailed activity report to the City Council.

Public hearing notices were published in the Press-Telegram on March 28, 2019. Staff received one letter in support of the reduced lot size as of the date of preparation of this report (Attachment I - Public Comments).

In accordance with the Guidelines for Implementation of the California Environmental Quality Act (CEQA), both a Categorical Exemption (CE-16-211 and CE 16-236) and Statutory Exemption (SE-17-136); were issued for the proposed project (Attachment J - Statutory Exemption and Categorical Exemption). The ABM and Triennial Building Code related Amendments to Title 21 qualify, as a Categorical Exemption, in that they clarify provisions

that govern existing facilities, constitute minor alternations in land use limitations, and are considered actions by a regulatory agency to protect the environment and natural resources. The project qualifies for a statutory exemption per Section 15282 (h), which provides that, "an Ordinance regarding second units in a single-family or multi-family residential zone by a city or county to implement the provisions of Sections 65852.1 and 65852.2 of the Government Code."

This matter was reviewed by Assistant City Attorney Michael J. Mais on March 25, 2019 and by Budget Analysis Officer Julissa José-Murray on March 26, 2019.

City Council action is requested on March 5, 2019, to comply with the Coast Act requirement that the City complete the adoption of the suggested modifications within six months of the CCC's October 10, 2018 action.

There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

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APPROVED:

PATRICK H. WEST  
CITY MANAGER