



**Department:** Community Development  
**Cost Center:** 4006  
**For Agenda of:** 4/1/2025  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Timmi Tway, Community Development Director  
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**SUBJECT:** SECOND READING AND ADOPTION OF ORDINANCE NO. 1743 (2025 SERIES) AMENDING TITLE 16 (SUBDIVISION REGULATIONS) AND TITLE 17 (ZONING REGULATIONS) OF THE MUNICIPAL CODE ADDRESSING STATE LEGISLATIVE UPDATES ON ACCESSORY AND JUNIOR ACCESSORY DWELLING UNITS AND U

### RECOMMENDATION

Adopt Ordinance No. 1743 (2025 Series) entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, approving an update to the City's Subdivision Regulations (Title 16) and Zoning Regulations (Title 17) to implement State Legislative Updates on Accessory and Junior Accessory Dwelling Units and Urban Lot Splits; and an Update to the City's Zoning Regulations (Title 17) to Provide Clarifications to Regulations for Affordable Housing Projects with an Exemption from Environmental Review (CEQA)."

### POLICY CONTEXT

The California State Legislature has passed a number of bills that require updates to the City's Municipal Code to maintain consistency with state housing law. The ordinance includes proposed amendments to comply with state law, improve clarity, and provide for more efficient project processing. These amendments are supported by the following City policies:

**HE Policy 2.4:** *Encourage housing production for all financial strata of the City's population, as allocated in the Regional Housing Needs Allocation, for the 6th cycle planning period. The number of units per income category are: extremely low and very low income, 825 units; low income, 520 units; moderate income, 604 units; and above moderate income, 1,405 units.*

**HE Policy 8.1:** *Encourage housing development that meets a variety of special needs, including large families, single parents, disabled persons, the elderly, students, veterans, farmworkers, the homeless, or those seeking congregate care, group housing, single-room occupancy, or cohousing accommodations, utilizing universal design.*

**HE Policy 6.8:** *To help meet the 6th cycle RHNA production targets, the City will support residential infill development and promote higher residential density where appropriate.*

## DISCUSSION

The California State Legislature passed numerous bills that went into effect in 2024 and at the beginning of 2025, introducing new or altered state laws related to Accessory Dwelling Units (ADUs), junior accessory dwelling units (JADUs), and urban lot splits, requiring amendments to the City's subdivision and zoning regulations.

In accordance with Government Code §65585, on September 11, 2024, HCD provided the City's Community Development Department with a letter outlining thirteen purported inconsistencies between the City's Zoning Regulations and state ADU law.

The proposed amendments seek to bring the City's Municipal Code into compliance with state law per new legislation regarding ADUs, JADUs, and urban lot splits and correspondence from California's Department of Housing and Community Development. In addition to state law compliance, some of the proposed amendments address miscellaneous items identified via community feedback that seek to alleviate possible barriers to housing development and streamline regulations and processes. The two sections of the City's Municipal Code being amended are the City's Subdivision Regulations in Title 16, and the Zoning Regulations in Title 17.

Generally, the changes to the City's Subdivision Regulations in Title 16 address compliance with SB 450, SB 684, and SB 1123 and include allowing ministerial subdivision of certain properties in multifamily zoned properties to create up to 10 lots with up to 10 new residential dwellings with specified size criteria and standards. A definition of car share vehicles was added to provide clarity when applying parking exemptions allowed per state law.

The changes to the Zoning Regulations in Title 17 generally address allowing a combination of one ADU, one JADU, and one conversion ADU on any lot with an existing dwelling, allowing ADUs in any zone that allows residential development, and allowing for up to eight detached ADUs on properties with multifamily dwellings in compliance with SB 1211. Additional amendments for ADUs include removing language that requires new ADUs to match primary residence in style, form, and materials, and allowing 25-foot height for ADUs. Streamlining provisions for ADUs also include a one-step process for expansion or alterations of an existing dwelling to convert that space into an ADU or JADU. Finally, to remove potential barriers to the construction of supportive and transitional housing, the requirement that such development include commercial space is removed for commercial zones except for the downtown core.

**Previous Council or Advisory Body Action**

The Planning Commission met on February 12, 2025 ([Agenda Packet](#)) and reviewed the proposed amendments and adopted a Resolution which recommended that City Council adopt the draft Ordinance with minor modifications pertaining to clarifications for exceptions to JADU law, a correction to the definition of car share vehicle, and a revision to Section 16.15.020(l)(2) pertaining timing of recording easements agreements.

On March 4, 2025, ([Agenda Packet](#)) the City Council voted 5-0 to introduce the ordinance to amend Title 16 (Subdivision Regulations) and Title 17 (Zoning Regulations) with a minor modification to Section 16.15.020 (B)(1) to remove the exclusion for minor urban lot splits related high fire hazard severity zones as reflected below consistent with state law:

*A minor urban lot split shall not be located on any site identified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of California Government Code Section 65913.4, unless the development satisfies the requirements specified therein. Such sites include, but are not limited to, prime farmland, wetlands, ~~high~~ or very high fire hazard severity zones, special flood hazard areas, regulatory floodways, and lands identified for conservation or habitat preservation as specifically defined in Government Code Section 65913.4.*

**Public Engagement**

Advisement of proposed amendments were discussed at the City’s Developer’s Roundtable meetings on November 14, 2024 and February 13, 2025. Public notice was provided for the Planning Commission meeting (February 12, 2025), and public comment was received prior to and at the meeting. Notice of the March 4, 2025, City Council public hearing was published in a widely circulated local newspaper, and hearing agendas for meetings were posted at City Hall, consistent with adopted notification procedures. Public comment was received prior to and at the meeting. Public notice of this hearing has been published in a widely circulated local newspaper, and hearing agendas for this meeting have been posted at City Hall, consistent with adopted notification procedures.

**CONCURRENCE**

Planning Division Staff, as well as the City Attorney’s office, have reviewed the proposed changes to Titles 16 and 17 and provided feedback that has been incorporated into the proposed amendments in this report.

**ENVIRONMENTAL REVIEW**

The proposed code amendments have been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. Specifically, the proposed amendments have been determined to be exempt from further environmental review pursuant to CEQA Guidelines Section 15061(b)(3), the “Common Sense” exemption, because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no

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possibility that the activity in question may have a significant effect on the environment. The proposed code amendments pertaining to ADUs and JADUs are also exempt under Public Resources Code Section 21080.17 that applies to local ordinances implementing state law related to accessory dwelling units. The proposed code amendments regarding the Subdivision Regulations are not considered a project under CEQA pursuant to Government Code Sections 65852.28(e), 65913.4.5(b), and 66499.41(i) and thus are not subject to further environmental review under CEQA.

### FISCAL IMPACT

Budgeted: N/A

Budget Year: N/A

Funding Identified: N/A

#### Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The amendments contained in the proposed ordinance do not have a fiscal impact on the City.

### ALTERNATIVES

1. **Continue the second reading and adoption of the ordinance.** An action continuing the project should include direction for staff on pertinent issues that should be further studied or analyzed for future presentation to the Council, with consideration that the State has provided the City with a letter containing items that must be addressed to ensure City regulations are compliant with state law. If there are requested substantive changes the ordinance will need to be reintroduced.
2. **Do not adopt the introduced ordinance.** Not approving the amendments would result in the City's Municipal Code not being consistent with state law. Denying the proposed amendments would also allow a possible barrier to affordable housing production to remain within the City's Zoning Regulations.

### ATTACHMENTS

A - Ordinance No. 1743 (2025 Series) adopting amendments to Titles 16 (Subdivision Regulations) and 17 (Zoning Regulations)