

Ordinance No. _____

Interim Ordinance of the Council of the City of Palo Alto Amending Various Chapters of Title 16 (Building Regulations) and Title 18 (Zoning) and Title 21 (Subdivisions and Other Divisions of Land) of the Palo Alto Municipal Code to Implement Recent State Housing Laws

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

- A. On September 19, 2024, the Governor of the State of California signed Senate Bill 937, effective January 1, 2025. SB 937 allows housing developers to defer payment of impact fees until issuance of a certificate of occupancy and freezes fees at the level in effect at the time of building permit issuance for certain “designated residential development projects,” as defined in the bill.
- B. On September 19, 2024, the Governor signed Assembly Bill 2694, effective January 1, 2025. AB 2694 expands the definition of a “senior citizen housing development” in the Density Bonus Law to include a residential care facility for the elderly, as defined.
- C. On September 22, 2024, the Governor signed Assembly Bill 3116, effective January 1, 2025. AB 3116 added a definition of “student housing development” to the Density Bonus Law and amended provisions of the Density Bonus Law related to the percentage density bonus and incentives or concessions certain student housing developments must receive.
- D. On September 19, 2024, the Governor signed Senate Bill 1211, effective January 1, 2025. SB 1211 allows up to 8 detached accessory dwelling units (ADUs) on parcels with existing multifamily development and provides that cities can no longer require replacement parking for uncovered parking spaces that are removed for an ADU.
- E. On September 19, 2024, the Governor signed Senate Bill 450, effective January 1, 2025. SB 450 amends SB 9 (codified at Sections 65852.21 and 66411.7 of the California Government Code) to create a 60-day timeframe for approval or denial of an SB 9 application and requires that SB 9 projects be subject to only those objective standards that apply uniformly in the underlying zone.
- F. There is insufficient time for consideration of and recommendation on the necessary amendments to Title 18 by the Planning and Transportation Commission (PTC) prior to action by the City Council. The Council therefore declares that an interim ordinance, pursuant to Palo Alto Municipal Code (PAMC) Section 18.80.090 is an appropriate measure, pending consideration of a permanent ordinance by the PTC.

SECTION 2. Section 16.64.030 (Deferred Payment) of Chapter 16.64 (Development Fee and In-Lieu Payment Administration) of Title 16 (Building Regulations) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~):

16.64.030 Deferred Payment

For residential development only, payment of a fee may be deferred to the date ~~of final building inspection approval of the development,~~ the development is approved for occupancy. If the development contains more than one dwelling, the fee shall be paid on a pro rata basis for each dwelling when it is approved for occupancy.

The fees may be deferred only if provided the owner of the real property for which the fees are required enters into a recordable agreement with the city prior to issuance of the building permit for the development, which from the date of recordation, shall constitute a lien on the property and shall be enforceable against successors in interest to the property owner. The agreement shall provide that final occupancy approval shall not be given until the fees are paid. The director of planning and development services may execute the agreement on behalf of the city in a form acceptable to the city attorney.

SECTION 3. Section 16.64.040 (Calculation of Fee) of Chapter 16.64 (Development Fee and In-Lieu Payment Administration) of Title 16 (Building Regulations) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

16.64.040 Calculation of Fee

A fee shall be payable at the rate specified in the council-adopted municipal fee schedule in effect on the date the fees are paid, except: (1) an applicant for a vesting tentative map for a development project shall pay the fees in effect on the date the application for the vesting tentative map is deemed complete, and (2) an applicant that defers fees for a designated residential redevelopment project, as defined in California Government Code Section 66007, may elect to pay the fees in effect at the time of building permit issuance.

SECTION 4. Section 18.15.020 (Definitions) of Chapter 18.15 (Density Bonus) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

18.15.020 Definitions

[...]

(w) “Senior citizen housing development” means a Development consistent with the California Fair Employment and Housing Act (Government Code Section 12900 et. seq., including 12955.9 in particular), which has been “designed to meet the physical and social needs of senior citizens,” and which otherwise qualifies as “housing for older persons” as that phrase is used in

the federal Fair Housing Amendments Act of 1988 (P.L. 100-430) and implementing regulations (24 CFR, part 100, subpart E), and as these phrases are used in California Civil Code Sections 51.2, 51.3, and 51.12. For purposes of this Chapter, "senior citizen housing development" includes a shared housing building development and a residential care facility for the elderly, as defined in California Health and Safety Code Section 1569.2.

[...]

(y) "Shared housing unit" means one or more habitable rooms, not within another dwelling unit, that includes a bathroom, sink, refrigerator, and microwave, is used for permanent residence, that meets the "minimum room area" specified in Section R304 of the California Residential Code (Part 2.5 of Title 24 of the California Code of Regulations), and complies with the definition of "guestroom" in Section R202 of the California Residential Code. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.

"Shared housing unit" for purposes of a residential care facility for the elderly, as defined in California Health and Safety Code Section 1569.2, includes a unit without an individual kitchen where a unit may be shared by unrelated persons, and a unit where a room that may be shared by unrelated persons meets the "minimum room area" requirements specified in Section R304 of the California Residential Code.

(z) "Student housing development" means a development that contains bedrooms containing two or more bedspaces that have a shared or private bathroom, access to a shared or private living room and laundry facilities, and access to a shared or private kitchen.

~~(y)~~(aa) "Total units" or "total dwelling units" means a calculation of the number of units that:

(1) Excludes a unit added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

(2) Includes a unit designated to satisfy an inclusionary zoning requirement of a city, county, or city and county.

For purposes of calculating a density bonus granted pursuant to this section for a shared housing building, "unit" means one shared housing unit and its pro rata share of associated common area facilities.

~~(z)~~(ab) "Very low vehicle travel area" means an urbanized area, as designated by the United States Census Bureau, where the existing residential development generates vehicle miles traveled per capita that is below 85 percent of either regional vehicle miles traveled per capita or city vehicle miles traveled per capita. For purposes of this paragraph, "area" may include a travel analysis zone, hexagon, or grid. For the purposes of determining "regional vehicle miles traveled per capita" pursuant to this paragraph, a "region" is the entirety of incorporated and unincorporated areas governed by a multi- county or single-county metropolitan planning organization, or the entirety of the incorporated and unincorporated areas of an individual county that is not part of a metropolitan planning organization.

SECTION 5. Section 18.15.030 (Density Bonuses) of Chapter 18.15 (Density Bonus) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

18.15.030 Density Bonuses

This section describes the density bonuses that will be provided, at the request of an applicant, when that applicant provides restricted affordable units as described below.

[...]

(c) The city shall grant a thirty-five percent (35%) density bonus when an applicant for a student housing development of five (5) or more dwelling units seeks and agrees to construct in accordance with the requirements of this section and Government Code Section 65915: (1) At, in which at least twenty percent (20%) of the total dwelling units will be restricted and used for lower income students. For each one percent (1%) increase in the percentage of restricted lower income units between twenty and twenty-four percent (20-24%) of total units, a development will receive an additional three and three-quarters percent (3.75%) density bonus up to fifty percent (50%) of the maximum residential density.

~~(2)~~ (1) For purposes of calculating a density bonus granted pursuant to this subparagraph, the term “unit” as used in this subparagraph means one rental bed and its pro rata share of the associated common area facilities. The units described in this subparagraph shall be subject to an affordability restriction of 55 years, which shall not tie any rental bed reserved for lower income students to a specific bedroom. Notwithstanding any other law, an affordability restriction provision, state or county law or policy, or property management policy shall not prevent a lower income student from sharing a room or unit with a non-lower income student. Any attempted waiver of the requirements of this clause is void as against public policy.

~~—(3)~~ (2) All units will be used exclusively for undergraduate, graduate, or professional students enrolled full time at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges.

~~(4)~~ (3) The applicant must submit evidence that the applicant entered into an operating agreement or master lease with one or more institutions of higher education for the institution(s) to occupy all units of the student housing development with students from that institution(s) or has established a system for confirming its renters’ status as students to ensure that all units of the student housing development are occupied with students from an institution of higher education.

~~(5)~~ (4) The rent provided in the applicable units of the development for lower income students shall be calculated at thirty percent (30%) of sixty-five percent (65%) of the area median income for Santa Clara County for a single-room occupancy unit type.

~~—(6)~~ (5) The applicant will provide priority for the applicable affordable units for lower income students experiencing homelessness. A homeless service provider, as defined in paragraph (3) of subdivision (e) of Section 103577 of the Health and Safety Code, or institution of higher education that has knowledge of a person's homeless status may verify a person's status as homeless for purposes of this subclause.

(6) The student housing development must not be located on a site that pursuant to Section 65915(c)(3) of the California Government Code would require replacement units for projects with

greater than a 35 percent density bonus.

[...]

(i) ~~An~~ Except as provided in subsection (c)(6) of this Section, an applicant (or project) shall be ineligible for a density bonus or any other incentives or concessions under this chapter if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City's valid exercise of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces those units, and either of the following applies:

(1) The proposed housing development, inclusive of the units replaced pursuant to this paragraph, contains affordable units at the percentages set forth in Section 18.15.030.

(2) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

[...]

SECTION 6. Section 18.15.050 (Development Concessions and Incentives) of Chapter 18.15 (Density Bonus) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

18.15.050 Development Concessions and Incentives

This section includes provisions for providing concessions or incentives pursuant to Government Code Section 65915.

(a) *By right parking incentives.* Upon request by the applicant, a development that is eligible for a density bonus may provide parking as provided in this subsection (a), consistent with Government Code Section 65915(p), inclusive of parking for persons with a disability and guests:

(1) Zero to one bedroom unit: one on-site parking space;

(2) Two to three bedroom unit: one and one-half on-site parking spaces;

(3) Four or more bedroom unit: two and one-half parking spaces;

(4) One bedspace in a student housing development: zero parking spaces.

If the total number of spaces required results in a fractional number, it shall be rounded up to the next whole number. For purposes of this subsection, this parking may be provided through tandem parking or uncovered parking, but not through on-street parking.

[...]

(c) *Other incentives and concessions.* A development is eligible for other concessions or incentives as follows:

(1) One concession or incentive for a development that makes at least ten percent (10%) of the total dwelling units affordable to lower income households; or at least five percent (5%) of the

total dwelling units affordable to very low income households; or at least ten percent (10%) of the total dwelling units affordable to moderate income households in a development in which the units are for sale; or at least twenty percent (20%) of the total units in a student housing development for low income students, as provided for in 18.15.030(c).

(2) Two concessions or incentives for a development that makes at least seventeen percent (17%) of the total dwelling units affordable to lower income households; or at least ten percent (10%) of the total dwelling units affordable to very low income households; or at least twenty percent (20%) of the total dwelling units affordable to moderate income households in a development in which the units are for sale; or at least twenty-three percent (23%) of the total units in a student housing development for low income students, as provided for in 18.15.030(c).

SECTION 7. Section 18.42.180 (Standards for Two Units on Single Family Zoned Lots Pursuant to Senate Bill 9) of Chapter 18.42 (Standards for Special Uses) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

18.42.180 Standards for Two Units on Single Family Zoned Lots Pursuant to Senate Bill 9.

(a) **Purpose.** This section sets forth special regulations applicable to the construction of two dwelling units on single family lots in the R-1 (and R-1 subdistricts) and R-E zone districts, pursuant to California Government Code Sections 65852.21 and 66411.7 (SB 9, 2021). In the event of a conflict between the provisions of this section and the generally applicable regulations of Chapters 18.10, 18.12, and 18.52-18.80, inclusive, ~~the provisions of this section~~ the more permissive provision shall prevail.

(b) **Definitions.** As used in this section:

- (1) "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety ~~or physical environmental~~ standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse, impact.
- (2) "Sufficient to allow separate conveyance" means the two dwelling units constitute clearly defined, separate, and independent housekeeping units without interior access points to the other dwelling unit.
- (3) "Two dwelling units" means the development proposes two new units on a vacant lot or proposes to add one new unit to one existing unit on a lot. This does not include the development of a single dwelling unit on a vacant lot.
- (4) "Unit" means any dwelling unit, including, but not limited to a primary dwelling unit, an accessory dwelling unit, or a junior accessory dwelling unit.

(c) **Applicability.** When an application is submitted that includes both (1) the construction of two dwelling units under this section and (2) other redevelopment work that is not integral to creation of a new dwelling unit and would generally require discretionary review, only the portions required for construction of dwelling units shall be reviewed ministerially. In addition, this section shall not apply in any of the following circumstances:

- (1) Parcels described California Government Code Section 65913.4, subdivisions (a)(6)(B) through (a)(6)(K) inclusive, as that section read on September 16, 2021. Such parcels include, for example, parcels located in wetlands, in very high fire severity zones (unless the site has adopted certain fire hazard mitigation measures), and in special flood hazard areas or regulatory floodways (unless the site meets certain federal requirements for development).
- (2) Parcels on which an owner of residential real property has exercised the owner's rights under state law to withdraw accommodations from rent or lease within the past 15 years.
- (3) The development would require alteration or demolition of any of the following types of housing
 - (A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
 - (B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - (C) Housing that has been occupied by a tenant in the last three years.
- ~~(4) The development would result in the demolition of more than 25 percent of the existing exterior structural walls of a site that has been occupied by a tenant in the last three years.~~
- ~~(5)~~ (4) The development is located within a historic district or property included on the State Historic Resources Inventory, as defined in California Public Resources Code Section 5020.1, or within a site that is designated or listed on the City's historic inventory.
- ~~(6)~~ (5) The building official finds that the development would have a specific, adverse impact on public health and safety ~~or the physical environment~~ that cannot be feasibly mitigated or avoided.

(d) Application Process.

- (1) The Director is authorized to promulgate regulations, forms, and/or checklists setting forth application requirements for the development of dwelling units under this section.
- (2) The City shall ministerially approve or disapprove an application pursuant to this section.
- (3) The director of planning shall consider and approve or deny an application for a proposed housing development pursuant to this section within 60 days from the date the City receives a completed application. If the director has not approved or denied the completed application within 60 days, the application shall be deemed approved.
- (4) If the director denies an application for a proposed housing development pursuant to this section, the director shall, within 60 days of receipt of the completed application, return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the applicant can remedy the application.

(e) Development Standards.

- (1) A project proposing two dwelling units on a parcel in the R-1 or RE districts shall be subject to the development standards set forth in Chapters 18.12 and 18.10, respectively except as provided herein.
- (2) All construction pursuant to this section shall comply with objective design standards adopted by the City Council for two-story development, except to the extent necessary to construct a unit of 800 square feet. However, an applicant seeking to deviate from the objective design standards ~~(except to the extent necessary to construct a unit of 800 square feet)~~ may elect to submit an application for under the base requirements of Chapters 18.10, or 18.12, including, if applicable, Single Family Individual Review.
- (3) If the application of any development standard or design standard would necessarily require that one or more proposed units be less than 800 square feet, such standard shall be relaxed to the minimum extent necessary to allow construction of a unit or units of at least 800 square feet. The Director may publish regulations governing the order in which objective standards shall be waived or relaxed in such circumstances.
- (4) Setbacks from side and rear property lines, including street-side property lines, shall be no less than four feet, except in the case of existing non-complying structures or structures reconstructed in the same location and to the same dimensions as an existing structure, in which case existing setbacks less than four feet may be maintained. No setback is required from an internal lot line newly created pursuant to Chapter 21.10, for adjacent or connected structures separated by the new lot line, provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.
- (5) Off-street parking shall be provided pursuant to Chapters 18.52 and 18.54.
- ~~(6) In the event that a project is proposed on a site that has been subject to an Urban Lot Split under Chapter 21.10, and the project would result in three or more detached units across the two parcels created by the urban lot split, any new units shall not exceed 800 square feet.~~
- ~~(7) (6) Accessory structures, such as garages and shed are permitted consistent with the provisions of the zoning district; however, no accessory structure shall have a floor area exceeding 500 square feet.~~
- ~~(8) (7) The Director of Public Works may promulgate standards for adjacent public improvements, such as curb cuts and sidewalks, in relation to development pursuant to this Section.~~

(f) General Requirements.

- (1) A maximum of two units may be located on any parcel that is created by an Urban Lot Split under Chapter 21.10. Accessory dwelling units and junior accessory dwelling units shall not be permitted on any such parcel already containing two units.
- (2) On parcels that are not the result of an Urban Lot Split under Chapter 21.10, accessory dwelling units may be proposed in addition to the primary dwelling unit or units, consistent with Chapter 18.09, ~~provided, however, that ADUs associated with projects proceeding under this Section shall not receive any exemption from~~

~~Floor Area Ratio except to the minimum extent required by California Government Code Section 65852.2.~~

- (3) A rental of any unit created pursuant to this Section shall be for a term longer than 30 consecutive days.
- (4) For residential units connected to an onsite wastewater treatment system, a percolation test completed within the last 5 years, or, if the percolation test has been recertified, within the last 10 years.
- (5) Each unit shall have a permanent street address.
- (6) The owner and all successors in interest in the subject property shall agree to participate in any City survey of properties that have constructed dwelling units pursuant to this Section.

(g) **Effective Dates.** This section shall remain in effect until such time as Government Code Section 65852.21 is repealed, ~~or superseded,~~ or invalidated by a court of competent jurisdiction, or its requirements for ministerial approval of no more than two units on a single family zoned lot are materially amended, whether by legislation or initiative, at which time this section shall become null and void.

SECTION 8. Chapter 21.10 (Urban Lot Splits) of Title 21 (Subdivisions and Other Divisions of land) of the Palo Alto Municipal Code is amended to read as follows (additions underlined; deletions ~~struck through~~):

Chapter 21.10

PARCEL MAPS FOR URBAN LOT SPLITS IN SINGLE-FAMILY ZONES

Section 21.10.010 Purpose

Section 21.10.020 Definitions

Section 21.10.030 Applicability

Section 21.10.040 General Requirements

Section 21.10.050 Application and Review of an Urban Lot Split

Section 21.10.060 Effective dates

Section 21.10.010 Purpose

This chapter sets forth special regulations applicable to the subdivision of a single family lot in the R-1 district (and R-1 subdistricts) or R-E district into two new lots, pursuant to California Government Code Section 66411.7 (SB 9, 2021).

Section 21.10.020 Definitions

As used in this chapter:

- (a) "Acting in concert" means pursuing a shared goal to split adjacent lots pursuant to an agreement or understanding, whether formal or informal.
- (b) "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety ~~or physical environmental~~ standards, policies, or conditions as they existed on the date the application was deemed

complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse, impact.

- (c) "Unit" means any dwelling unit, including, but not limited to, a unit or units created pursuant to Section 18.42.180, a primary dwelling unit, an accessory dwelling unit, or a junior accessory dwelling unit.
- (d) "Urban Lot Split" means the subdivision of an existing legal parcel in the R-1 district (and R-1 subdistricts) or R-E district to create no more than two new parcels of approximately equal area, pursuant to this Chapter and California Government Code Section 66411.7.

Section 21.10.030 Applicability

The provisions of this chapter shall apply only to lots in the R-1 district (and R-1 subdistricts) or R-E zone district. Except as modified by this Chapter, all provisions of Title 21 shall apply to an application for urban lot split. An Urban Lot Split is not available in any of the following circumstances:

- (a) A parcel described California Government Code Section 65913.4, subdivisions (a)(6)(B) through (a)(6)(K) inclusive, as that section read on September 16, 2021. Such parcels include, for example, parcels located in wetlands, in very high fire severity zones (unless the site has adopted certain fire hazard mitigation measures), and in special flood hazard areas or regulatory floodways (unless the site meets certain federal requirements for development).
- (b) A parcel on which an owner of residential real property has exercised the owner's rights under state law to withdraw accommodations from rent or lease within the past 15 years.
- (c) A parcel that was created by prior exercise of an Urban Lot Split.
- (d) A parcel adjacent to a parcel that was created by prior exercise of an Urban Lot Split by the owner, or a person acting in concert with the owner of the parcel sought to be split.
- (e) The Urban Lot Split would require alteration or demolition of any of the following types of housing:
 - (1) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
 - (2) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - (3) Housing that has been occupied by a tenant in the last three years.
- (f) The Urban Lot Split is located within a historic district or property included on the State Historic Resources Inventory, as defined in California Public Resources Code Section 5020.1, or within a site that is designated or listed on the City's historic inventory.
- (g) The building official finds that the development would have a specific, adverse impact on public health and safety ~~or the physical environment~~ that cannot be feasibly mitigated or avoided.

Section 21.10.040 General Requirements

- (a) The minimum size for a parcel created by an Urban Lot Split is 1,200 square feet.
- (b) The lots created by an Urban Lot Split must be of approximately equal area, such that no resulting parcel shall be smaller than 40 percent of the lot area of the original parcel proposed for subdivision.

- (c) Where existing dwelling units on the property are to remain, no lot line may be created under this Chapter in a manner that would bisect any structure or that would result in more than two dwelling units on any resulting parcel.
- (d) Newly created lot lines shall not render an existing structure noncomplying in any respect (e.g. floor area ratio, lot coverage, parking), nor increase the degree of noncompliance of an existing noncompliant structure.
- (e) Each parcel shall comply with any objective lot design standards for Urban Lot Splits adopted by the City Council and consistent with Chapter 66411.7 of the Government Code.
- (f) Utility easements shall be shown on the parcel map, and recorded prior to, or concurrent with final parcel map recordation.
- (g) A covenant necessary for maintenance of stormwater treatment facilities shall be recorded prior to, or concurrent with final map recordation.
- (h) Existing driveways to be demolished shall follow the procedure(s) in 12.08.090 Elimination of abandoned driveway.
- (i) A maintenance agreement shall be recorded to ensure shared maintenance of any shared access easements, stormwater treatment, landscaping and private utilities, prior to final parcel map recordation.

Section 21.10.050 Application and Review of an Urban Lot Split

- (a) The director of planning is authorized to promulgate regulations, forms, and/or checklists setting forth application requirements for a parcel map for an Urban Lot Split under this Chapter. An application shall include an affidavit from the property owner, signed under penalty of perjury under the laws of California, that:
 - (1) The proposed urban lot split would not require or authorize demolition or alteration of any of the housing described in Section 21.10.030, subdivision (e).
 - (2) The proposed urban lot split is not on a parcel described in Section 21.10.030.
 - (3) The owner intends to occupy one of the housing units located on a lot created by the parcel map as their principal residence for a minimum of three years from the date of the recording of the parcel map.
 - (4) The rental of any unit on the property shall be for a term longer than 30 consecutive days.
 - (5) The resulting lots will be for residential uses only.
- (b) A parcel map for an Urban Lot Split must be prepared by a registered civil engineer or licensed land surveyor in accordance with Government Code sections 66444 – 66450 and this Chapter. Unless more specific regulations are adopted by the director of planning, the parcel map shall be in the form and include all of the information required of a Preliminary Parcel Map by Chapter 21.12, as well as any additional information required of a Parcel Map by Chapter 21.16. In addition, the face of the Parcel Map shall contain a declaration that:
 - (1) Each lot created by the parcel map shall be used solely for residential dwellings.
 - (2) That no more than two dwelling units may be permitted on each lot.
 - (3) That rental of any dwelling unit on a lot created by the parcel map shall be for a term longer than 30 consecutive days.
 - (4) A lot created by a parcel map under this Chapter shall not be further subdivided.

- (c) Upon receipt of a parcel map for an Urban Lot Split, the director of planning shall transmit copies to the city engineer, chief building official, director of utilities, chief of police, fire chief, director of transportation, and such other departments of the city, and any other agencies, as may be required by law or deemed appropriate.
- (d) The director of planning shall cause a notice of the pending application to be posted at the site of the proposed Urban Lot Split and for notice to be mailed to owners and residents of property within 600 feet of the property.
- (e) The director of planning shall ministerially review and approve a parcel map for Urban Lot Split if they determine that the parcel map application meets all requirements of this Chapter. The director of planning shall deny a parcel map application that does not meet any requirement of this Chapter.
- (f) The director of planning shall consider and approve or deny an application for an urban lot split within 60 days from the date the City receives a completed application. If the director has not approved or denied the completed application within 60 days, the application shall be deemed approved.
- (g) If the director denies an application for an urban lot split, the director shall, within 60 days of receipt of the completed application, return in writing a full set of comments to the applicant with a list of items that are defective or deficient and a description of how the applicant can remedy the application.
- (h) ~~{f}~~ The Director of Planning shall determine the appropriate fee required for an application for parcel map for an Urban Lot Split, which may be the fee currently established for a Preliminary Parcel Map or Parcel Map.

Section 21.10.060 Effective Dates.

This chapter shall remain in effect until such time as Government Code Section 66411.7 is repealed or superseded or its requirements for ministerial approval of an Urban Lot Split on a single family zoned lot are materially amended, whether by legislation or initiative, at which time this chapter shall become null and void.

SECTION 9. Section 18.10.040 (Development Standards) of Chapter 18.10 (Low Density Residential (RE, R-2, and RMD) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; and unchanged text omitted by bracketed ellipses):

18.10.040 Development Standards

[...]

(i) Individual Review

The Individual Review provisions of Section 18.12.110 of the Zoning Ordinance shall be applied to any single-family or two-family residence in the R-2 or RMD districts to those sides of a site that share an interior side lot line with the interior side or rear lot line of a property zoned for or used for single-family or two-family dwellings. The individual review criteria shall be applied only to the project's effects on adjacent single-family and two-family uses. A project that complies with the objective standards for two-story development adopted by the City Council shall not be subject

to Individual Review.

[...]

SECTION 10. Section 18.12.040 (Site Development Standards) of Chapter 18.12 (R-1 Single-Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; and unchanged text omitted by bracketed ellipses):

18.12.040 Site Development Standards

[...]

(m) In addition to the standards contained in and referenced in this Chapter, single-family residential development, including the development of a primary residence and one or more accessory dwelling units and development pursuant to California Government Code Sections 65852.21 and 66411.7 shall comply with the objective standards for two-story development adopted by the City Council. However, an applicant seeking to deviate from the objective standards may submit an application for Single Family Individual Review pursuant to Section 18.12.110.

SECTION 11. Section 18.12.110 (Single Family Individual Review) of Chapter 18.12 (R-1 Single-Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; and unchanged text omitted by bracketed ellipses):

18.12.110 Single Family Individual Review

[...]

(b) Applicability

The provisions of this Section 18.12.110 apply to the construction that does not comply with the objective standards for two-story development adopted by the City Council. Such projects include construction of a new singly developed two-story structure; the construction of a new second story; or the expansion of an existing second story by more than 150 square feet in the R-1 single family residential district. All second-story additions on a site after November 19, 2001 shall be included in calculating whether an addition is over 150 square feet.

[...]

SECTION 12. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 13. The Council finds that the Ordinance is exempt from the California Environmental

Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that updating the municipal code to implement existing changes in preemptive state housing law will have a significant effect on the environment.

SECTION 14. This Ordinance shall be effective on the thirty-first day after the date of its adoption and shall expire on December 31, 2025, unless extended by the City Council or superseded by replacement legislation.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Assistant City Attorney

City Manager

Director of Planning and
Development Services