

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Modifying Chapters 16.65 (Citywide Affordable Housing Requirements), 18.10 (Low-Density Residential, RE, R-2, and RMD Districts), 18.12 (R-1 Single-Family Residential District), 18.13 (Multiple Family Residential, RM20, RM30, RM40), 18.16 (Commercial Districts, CN, CC, CS), 18.18 (Downtown Commercial, CD-C, CD-S, CD-N), 18.40 (General Standards and Exceptions), and 18.42 (Standard for Special Uses) of Title 18 (Zoning) and Adding Chapter 21.10 (Parcel Maps for Urban Lot Splits) of the Palo Alto Municipal Code to Implement Recent State Housing Bills

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 16, 2021, Governor Newsom signed into law Senate Bill 9 (SB 9), which requires, among other things, that local agencies ministerially approve both two-unit construction and urban lot splits on single-family zoned lots.
- B. SB 9 authorizes the creation of lots as small as 1,200 square feet, and requires approval of two residential units of at least 800 square feet (for a total of 1,600 square feet) each on such lots. This represents a significant departure from existing minimum lot sizes and development standards in Palo Alto's single-family zones.
- C. The increased density and intensity of development authorized by SB 9 has the potential to negatively impact privacy, access for emergency vehicles, and aesthetics of residential neighborhoods. In addition, the ministerial review required by SB 9 could result in the unintentional loss of historic resources in Palo Alto's single family zones.
- D. SB 9 authorizes local jurisdictions to apply objective zoning standards, objective subdivision standards, and objective design standards, subject to certain limitations in statute.
- E. On September 16, 2021, Governor Newsom signed into law Senate Bill 478 (SB 478), which requires, among other things, that local agencies provide specified minimum floor area ratios for housing development projects containing 3 to 10 dwelling units.
- F. On January 24, 2022 and April 11, 2022, the City Council adopted interim ordinance nos. 5542 and 5546 to address SB 9 and SB 478. Following a recommendation by the Planning and Transportation Commission on February 8, 2023, the City Council now seeks to adopt a permanent ordinance.

SECTION 2. With the exceptions of Sections 16, 17, 19 and 21, and 23, which were added in their entirety by interim ordinance no. 5542, this ordinance is formatted to show amendments to the Palo Alto Municipal Code as it would read if interim ordinances 5542 and 5546 were to expire. Additions from this baseline are shown in underline, and deletions are shown in ~~strike-through~~; large portions of text that are unchanged may be omitted through use of ellipses.

SECTION 3. Section 18.10.020 (Applicable Regulations) of Chapter 18.10 (Low-Density Residential (RE, R-2 and RMD) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.10.020 Applicable Regulations

The specific regulations of this chapter and the additional regulations and procedures established by Chapters [18.52](#) to [18.80](#) inclusive shall apply to all low-density residential districts. Such regulations shall apply to construction of two units on an RE-zoned lot pursuant to California Government Code Section 65852.21 (SB 9, 2021), except as modified by Section 18.42.180.

SECTION 4. Section 18.10.030 (Land Uses) of Chapter 18.10 (Low-Density Residential (RE, R-2 and RMD) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.10.030 Land Uses

Table 1 shows the permitted and conditionally permitted uses for the low-density residential districts.

TABLE 1
PERMITTED AND CONDITIONALLY PERMITTED LOW-DENSITY RESIDENTIAL USES
[P = Permitted Use -- CUP = Conditional Use Permit Required]

	RE	R-2	RMD	Subject to Regulations in:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
RESIDENTIAL USES				
Single-Family	P	P	P	
Two-Family use, under one ownership	<u>P (4)</u>	P	P	
Mobile Homes	P	P	P	18.42.100
Residential Care Homes	P	P	P	
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]

P = Permitted Use	CUP = Conditional Use Permit Required
<p><u>Footnotes:</u></p> <p>(1) Sale of Agricultural Products: No permanent commercial structures for the sale or processing of agricultural products are permitted.</p> <p>(2) Accessory Dwelling Units in R-2 and RMD Zones: An accessory dwelling unit or a Junior Accessory Dwelling Unit associated with a single-family residence on a lot in the R-2 or RMD zones is permitted, subject to the provisions of Section 18.42.040, and such that no more than two units result on the lot.</p> <p>(3) Bed and Breakfast Inns: Bed and breakfast inns are limited to no more than 4 units (including the owner/resident's unit) in the RMD district.</p> <p>(4) Two Unit Development Pursuant to California Government Code Section 65852.21 (SB 9, 2021): Construction of two units is permitted on an RE-zoned lot, subject to the regulations in Section 18.42.180.</p>	

SECTION 5. 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 amended to read as follows:

18.10.040 Development Standards

(a) Site Specifications, Building Size, Height and Bulk, and Residential Density

The development standards for the low-density residential districts are shown in Table 2:

TABLE 2
LOW-DENSITY RESIDENTIAL DEVELOPMENT STANDARDS

	R-E (6)	R-2	RMD	Subject to Regulations in:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
<p><u>Footnotes:</u></p> <p>(1) Minimum Lot Size: Any lot less than the minimum lot size may be used in accordance with the provisions of Chapter 18.40.</p> <p>(2) R-2 Floodzone Heights: Provided, in a special flood hazard area as defined in Chapter 16.52, the maximum heights are increased by one-half of the increase in elevation required to reach base flood elevation, up to a maximum building height of 33 feet.</p> <p>(3) R-2 Floodzone Daylight Plane: Provided, if the site is in a special flood hazard area and is entitled to an increase in the maximum height, the heights for the daylight planes shall be adjusted by the same amount.</p> <p>(4) Exemption from Floor Area for Covered Parking Required for Two-Family Uses: In the R-2 and RMD districts, for two-family uses, floor area limits may be exceeded by a maximum of two hundred square feet, for purposes of providing one required covered parking space.</p>				

(5) **Maximum House Size:** The gross floor area of attached garages and attached accessory dwelling units and junior accessory dwelling units are included in the calculation of maximum house size. If there is no garage attached to the house, then the square footage of one detached covered parking space shall be included in the calculation. This provision applies only to single-family residences, not to duplexes allowed in the R-2 and RMD districts.

(6) **Two Unit Development Pursuant to California Government Code Section 65852.21 (SB 9, 2021):** Construction of two units on an RE-zoned lot shall be subject to the development standards in this Section 18.10.040, except as modified by Section 18.42.180.

[. . .]

SECTION 6. Table 3 (PARKING REQUIREMENTS FOR R-E, R-2 AND RMD USES) of Section 18.10.060 (Parking) of Chapter 18.10 (Low-Density Residential (RE, R-2 and RMD) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

[. . .]

TABLE 3
PARKING REQUIREMENTS FOR R-E, R-2 AND RMD USES

Use	Minimum Off-Street Parking Requirement
Single-family residential use (excluding accessory dwelling units)	2 spaces per unit, of which one must be covered.
<u>Two family in the RE district, pursuant to California Government Code Section 65852.21 (SB 9, 2021)</u>	<u>1 space per unit. No spaces required if located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop, or located within one block of a car share vehicle.</u>
Two family (R2 & RMD districts)	3 spaces total, of which at least two must be covered
Accessory dwelling unit, attached or detached:	No parking required
Junior accessory dwelling unit	No parking required
Other Uses	See Chapter 18.40

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SECTION 7. Section 18.10.070 (Accessory and Junior Accessory Dwelling Units) of Chapter 18.10 (Low-Density Residential (RE, R-2 and RMD) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.10.070 Accessory and Junior Accessory Dwelling Units

Accessory Dwelling Units and Junior Accessory Dwelling Units are subject to the regulations set forth in Chapter 18.09 Section 18.42.040.

SECTION 8. Section 18.12.020 (Applicable Regulations) of Chapter 18.12 (R-1 Single Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.12.020 Applicable Regulations

The specific regulations of this chapter and the additional regulations and procedures established by Chapters [18.52](#) to [18.80](#) inclusive shall apply to the R-1 district including the R-1 subdistricts. Such regulations shall apply to construction of two units on an R1-zoned lot pursuant to California Government Code Section 65852.21 (SB 9), except as modified by Section 18.42.180.

SECTION 9. Section 18.12.030 (Land Uses) of Chapter 18.12 (R-1 Single Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.12.030 Land Uses

The permitted and conditionally permitted uses for the single family residential districts are shown in Table 1:

Table 1
PERMITTED AND CONDITIONAL R-1 RESIDENTIAL USES

	R-1 and all R-1 Subdistricts	Subject to Regulations in:
[. . .]	[. . .]	[. . .]
RESIDENTIAL USES		
Single-Family	P	
<u>Two-Family use, under one ownership</u>	<u>P</u>	<u>18.42.180</u>
Mobile Homes	P	18.42.100
Residential Care Homes	P	
[. . .]	[. . .]	[. . .]
P = Permitted Use CUP = Conditional Use Permit Required		

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 amended to read as follows:

18.12.040 Site Development Standards

(a) Site Specifications, Building Size, Height and Bulk, and Residential Density

The development standards for the R-1 district and the R-1 subdistricts are shown in Table 2, except to the extent such standards may be modified by Section 18.42.180 for two-family uses pursuant to California Government Code Section 65852.21 (SB 9, 2021):

[. . .]

SECTION 11. Section 18.12.060 (Parking) of Chapter 18.12 (R-1 Single Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.12.060 Parking

Off-street parking and loading facilities shall be required for all permitted and conditional uses in accord with Chapters 18.52 and 18.54 of this title. The following parking requirements apply in the R- 1 districts. These requirements are included for reference purposes only, and in the event of a conflict between this Section 18.12.060 and any requirement of Chapters 18.52 and 18.54, Chapters 18.52 and 18.54 shall apply, except in the case of parcels created pursuant to Section 18.10.140(c) (subdivision incentive for historic preservation).

(a) Parking Requirements for Specific Uses

Table 4 shows the minimum off-street automobile parking requirements for specific uses within the R-1 district.

Table 4	
Parking Requirements for Specific R-1 Uses	
Use	Minimum Off-Street Parking Requirement
Single-family residential use (excluding accessory dwelling units)	2 spaces per unit, of which one must be covered.
<u>Two family use pursuant to California Government Code Section 65852.21 (SB 9, 2021)</u>	<u>1 space per unit. No spaces required if located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop, or located within one block of a car share vehicle.</u>
Accessory dwelling unit, attached or detached	No parking required
Junior accessory dwelling unit	No parking required
Other Uses	See Chs. 18.52 and 18.54

[. . .]

SECTION 12. Section 18.12.070 (Accessory and Junior Accessory Dwelling Units) of Chapter 18.12 (R-1 Single Family Residential District) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.12.070 Accessory and Junior Accessory Dwelling Units

Accessory Dwelling Units and Junior Accessory Dwelling Units are subject to the regulations set forth in Chapter 18.09 ~~Section 18.42.040~~.

SECTION 13. Section 18.40.160 (Replacement Project or Discretionary Review Required) of Chapter 18.40 (General Standards and Exceptions) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.40.160 Replacement Project or Discretionary Review Required

(a) No permit required under Title 2 (Administrative Code), Title 12 (Public Works and Utilities), or Title 16 (Building Regulations) shall be issued for demolition or deconstruction of a single family residence or duplex in the Low-Density Residential District ([Chapter 18.10](#)) or Single Family Residential District ([Chapter 18.12](#)), ~~except for deconstruction pursuant to Section 16.14.130 or~~ where necessary for health and safety purposes (as determined by the City's Building Official), unless building permit plans for a replacement project have been approved. This subsection shall also apply to demolition of a single family residence or duplex in the Multiple Family Residential District ([Chapter 18.13](#)) when the replacement project does not require discretionary review.

(b) No permit required under Title 2 (Administrative Code), Title 12 (Public Works and Utilities), or Title 16 (Building Regulations) shall be issued for any project requiring discretionary review under Title 18 or Title 21, unless the application for discretionary review has been approved.

SECTION 14. Section 18.52.020 (Definitions) of Chapter 18.52 (Parking and Loading Requirements) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.52.020 Definitions

For purposes of this chapter:

[. . .]

(h) "Within one block of a car share vehicle" means within 600 feet of a parking space permanently reserved for use by a car share vehicle.

~~(h)~~(i) Definitions for other parking-related terms can be found in Section 18.04.030(a) (Definitions), including "Parking as a principal use," "Parking facility," and "Parking space."

SECTION 15. Table 1 (Minimum Off-Street Parking Requirements of Section 18.52.040 (Off-Street Parking, Loading, and Bicycle Facility Requirements) of Chapter 18.52 (Parking and Loading Requirements) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.52.040 Off-Street Parking, Loading and Bicycle Facility Requirements

[. . .]

Table 1
Minimum Off-Street Parking Requirements

Use	Vehicle Parking Requirement (# of spaces)	Bicycle Parking Requirement	
		Spaces	Class ¹ Long Term (LT) and Short Term (ST)
RESIDENTIAL USES			
[. . .]	[. . .]	[. . .]	[. . .]
Two-Family Residential (R-2 & RMD Districts)	1.5 spaces per unit, of which at least one space per unit must be covered Tandem Parking Allowed, with one tandem space per unit, associated directly with another parking space for the same unit	1 space per unit	100% - LT
(R-1 and RE Districts, pursuant to Section 18.42.180)	At least one space per unit. No spaces required if the unit is located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop, as defined in California Public Resources Code Sections 21155 and 21064.3 respectively, or located within one block of a car share vehicle.	1 space per unit	100% - LT
[. . .]	[. . .]	[. . .]	[. . .]

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SECTION 16. 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 added to read as follows:

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 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. 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) 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) 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.

(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. 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 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) 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) 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 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 17. Chapter 21.10 (Urban Lot Splits) of Title 21 (Subdivisions and Other Divisions of land) of the Palo Alto Municipal Code is added to read as follows:

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. 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.
- (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 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.

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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 18. Section 18.13.040 (Development Standards) of Chapter 18.13 (Multiple Family Residential (RM-20, RM-30 and RM-40) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

18.13.040 Development Standards

(a) Site Specifications, Building Size and Bulk, and Residential Density

[. . .]

Table 2
Multiple Family Residential Development Table

	RM-20	RM-30	RM-40	Subject to regulations in:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
Maximum Floor Area Ratio (FAR) ⁽⁴⁾	0.5:1	0.6:1	1.0:1	<u>18.13.045</u>
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]

SECTION 19. Section 18.13.045 (Increased Floor Area for Housing Developments of 3-10 Units) of Chapter 18.13 (Multiple Family Residential (RM-20, RM-30 and RM-40) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is added to read as follows:

18.13.045 Increased Floor Area for Housing Developments of 3-10 Units

- (a) A housing development project, as defined in California Government Code Section 65589.5, that is in an RM-20, RM-30 or RM-40 District shall be allowed to increase its floor area ratio as follows:
 - (i) A housing development project of three to seven units shall have a maximum floor area ratio of 1.0:1.
 - (ii) A housing development project of eight to ten units shall have a maximum floor area ratio of 1.25:1.
- (b) This section shall not apply 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.

SECTION 20. Section 18.16.060 (Development Standards) of Chapter 18.16 (Neighborhood, Community, and Service Commercial (CN, CC and CS)) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

(a) Exclusively Non-Residential Uses

[. . .]

(b) Mixed Use and Residential

Table 4 specifies the development standards for new residential mixed use developments and residential developments. These developments shall be designed and constructed in compliance with the following requirements and the context-based design criteria outlined in Section [18.16.090](#), provided that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and development services, pursuant to Section [18.76.020](#).

Table 4
Mixed Use and Residential Development Standards

	CN	CC	CC(2)	CS	Subject to regulations in Section
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
Maximum Residential Floor Area Ratio (FAR)	0.5:1 (4)	See sub-section (e) below	0.6:1	0.6:1	18.16.065
Maximum Nonresidential Floor Area Ratio (FAR)	0.4:1		2.0:1	0.4:1	
Total Mixed Use Floor Area Ratio (FAR)	0.9:1 (4)		2.0:1	1.0:1	18.16.065
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]	[. . .]

[. . .]

SECTION 21. Section 18.16.065 (Increased Floor Area for Housing Developments of 3-10 Units) of Chapter 18.16 (Neighborhood, Community, and Service Commercial (CN, CC and CS)) of Title 18 (Zoning) of the Palo Alto Municipal Code is added to read as follows:

18.16.065 Increased Floor Area for Housing Developments of 3-10 Units

- (a) A housing development project as defined in paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code of the State of California that is in a CN, CC or CS District shall be allowed to increase its floor area ratio as follows:
- (i) A housing development project of three to seven units shall have a maximum floor area ratio of 1.0:1.
 - (ii) A housing development project of eight to ten units shall have a maximum floor area ratio of 1.25:1.
- (b) This bonus shall not apply within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code of the State of California, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.
- (c) For mixed use development, total mixed use floor area ratio shall be increased to the extent necessary to accommodate a non-residential floor area ratio of 0.4:1 for retail and retail-like uses only.

SECTION 22. Section 18.18.060 (Development Standards) of Chapter 18.18 (Downtown Commercial (CD) District) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

(a) Exclusively Non-Residential Use

[. . .]

(b) Mixed Use and Residential

Table 3 specifies the development standards for new residential mixed use developments and residential developments. These developments shall be designed and constructed in compliance with the following requirements and the context-based design criteria outlines in Section 18.18.110, provided that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and development services, pursuant to Section 18.76.020:

TABLE 3
MIXED USE AND RESIDENTIAL DEVELOPMENT STANDARDS

	CD-C	CD-S	CD-N	Subject to regulations in Section:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
Maximum Residential Floor Area Ratio (FAR)	1.0:1 ⁽³⁾	0.6:1 ⁽³⁾	0.5:1 ⁽³⁾	<u>18.18.065,</u> <u>18.18.070</u>
Maximum Nonresidential Floor Area Ratio (FAR)	1.0:1 ⁽³⁾	0.4:1	0.4:1	

Total Floor Area Ratio (FAR) ⁽³⁾	2.0:1 ⁽³⁾	1.0:1 ⁽³⁾	0.9:1 ⁽³⁾	<u>18.18.065,</u> 18.18.070
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
Footnotes: (1) Required usable open space: (1) may be any combination of private and common open spaces; (2) does not need to be located on the ground (but rooftop gardens are not included as open space except as provided below); (3) minimum private open space dimension 6; and (4) minimum common open space dimension 12 For CN and CS sites on El Camino Real, CS sites on San Antonio Road between Middlefield Road and East Charleston Road and CC(2) sites that do not abut a single- or two-family residential use or zoning district, rooftop gardens may qualify as usable open space and may count as up to 60% of the required usable open space for the residential component of a project. In order to qualify as usable open space, the rooftop garden shall meet the requirements set forth in Section 18.40.230 . [. . .] (3) FAR may be increased with transfers of development, <u>increased floor area for housing development projects with 3-10 residential units</u> and/or bonuses for seismic and historic rehabilitation upgrades, not to exceed a total site FAR of 3.0:1 in the CD-C subdistrict or 2.0:1 in the CD-S or CD-N subdistrict. [. . .] (5) The weighted average residential unit size shall be calculated by dividing the sum of the square footage of all units by the number of units. For example, a project with ten 800-square foot 1-bedroom units, eight 1,200-square foot 2-bedroom units, and two 1,800-square foot 3-bedroom units would have a weighted average residential unit size of $((10 \times 800) + (8 \times 1,200) + (2 \times 1,800)) \div (10 + 8 + 2) = 1,060$ square feet.				

[. . .]

SECTION 23. Section 18.18.065 (Increased Floor Area for Housing Developments of 3-10 Units) of Chapter 18.18 (Downtown Commercial (CD) District) of Title 18 (Zoning) of the Palo Alto Municipal Code is added to read as follows:

18.16.065 Increased Floor Area for Housing Developments of 3-10 Units

- (a) A housing development project as defined in paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code of the State of California that is in a CD Districts shall be allowed to increase its floor area ratio as follows:
 - (i) A housing development project of three to seven units shall have a maximum residential floor area ratio of 1.0:1.
 - (ii) A housing development project of eight to ten units shall have a maximum residential floor area ratio of 1.25:1.
- (b) This bonus shall not apply within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code

of the State of California, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

- (c) For mixed use development in the CD-N and CD-S subdistricts, total floor area ratio shall be increased to the extent necessary to accommodate a non-residential floor area ratio of 0.4:1 for retail and retail-like uses only.
- (d) In no event shall total floor area ratio exceed 3.0:1 in the CD-C subdistrict, or 2.0:1 in the CD-N and CD-S subdistricts.

SECTION 24. Section 16.65.025 (Exemptions) of Chapter 16.65 (Citywide Affordable Housing Requirements) of Title 16 (Building Regulations) of the Palo Alto Municipal Code is amended to read as follows (new text underlined and deletions ~~struck through~~; omissions are noted with [. . .] for large sections of unchanged text):

16.65.025 Exemptions.

The following development projects are exempt from the provisions of this chapter:

- (a) Residential projects consisting of the construction of one or two units, other than accessory dwelling units and junior accessory dwelling units, unless: (1) included in a mixed use project, (2) constructed on a lot created by an Urban Lot Split under Chapter 21.10; or (3) resulting in a two-family use on a single-family zoned lot;
- (b) Accessory dwelling units, unless: (1) constructed on a lot created by an Urban Lot Split under Chapter 21.10; or (2) the accessory dwelling unit is constructed on a single-family zoned lot containing a two-family use;
- (c) Junior accessory dwelling units and, notwithstanding subsection (b), all accessory dwelling units less than 750 square feet;

[. . .]

SECTION 25. 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 26. The City Council finds that this Ordinance is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) for the following reasons. Under Government Code Sections 66411.7(n) and 65852.21(j), an ordinance adopted to implement the requirements of SB 9 shall not be considered a project under CEQA. Additional sections of this ordinance implementing SB 478 are exempt pursuant to Section 15061 of the State CEQA Guidelines because they simply reflect pre-emptive state law that will be effective January 1, 2022. As such, this ordinance does not reflect a change from the status quo and it therefore can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

//

SECTION 27. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Planning
and Development Services