County of Santa Cruz

DEPARTMENT OF COMMUNITY DEVELOPMENT AND INFRASTRUCTURE

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May 10, 2024

Agenda Date: **May 28, 2024**

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Study session to consider an ordinance implementing Senate Bill 9, allowing two-unit developments and urban lot splits

RECOMMENDED ACTION:
Hold a study session on the proposed ordinance implementing Senate Bill 9.

EXECUTIVE SUMMARY
Senate Bill (SB) 9 (Chapter 162, Statutes of 2021) requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. SB 9 contains eligibility criteria addressing environmental site constraints (e.g., wetlands, wildfire risk, etc.), anti-displacement measures for renters and low-income households, and the protection of historic structures and districts. Key provisions of the law require reliance on objective standards to facilitate ministerial review, and, where necessary, allow a local agency to modify development standards on a project-by-project basis if they would prevent an otherwise eligible lot from being split or prevent the construction of up to two units at least 800 square feet in size.

BACKGROUND
SB 9 (Atkins), signed into law by Governor Newsom on September 16, 2021, allows property owners within a single-family residential zone to build two units and/or to subdivide a lot into two parcels, for a total of four units.

The bill requires approval of the following development activities:

- **Two-unit housing development** – Two homes on an eligible single-family residential parcel (whether the proposal adds up to two new housing units or adds one new unit to one existing unit).

- **Urban lot split -** A one-time subdivision of an existing single-family residential parcel into two parcels, which would in turn allow up to four units.

The bill also outlines how jurisdictions may regulate SB 9 projects. Jurisdictions may only apply objective zoning, subdivision, and design standards to these projects, and these standards may not preclude the construction of up to two units of at least 800 square feet each. Jurisdictions can

conduct design review but may not have public hearings for projects that meet the state rules (with limited exceptions).

SB 9 applies to all single-family (R-1, RB, RA, and RR) residential zoned properties and special use (SU) with a General Plan residential land use classification within a Census urban area with several key exceptions:

- Environmentally sensitive areas.
- Environmental hazard areas if mitigations are not possible (see full list later in the ordinance for eligibility requirements but note that the law does apply, with modifications, in wildfire zones).
- Historic properties and districts.
- Properties where the Ellis Act[1] was used to evict tenants at any time in the last 15 years.
- Additionally, demolition is not permitted for units rented in the last three years, rent-controlled units or units restricted to people of moderate, low, or very low incomes.
- No short-term rentals – Rental terms less than 30 days are not allowed.

This law is similar to recent state accessory dwelling unit (ADU) legislation, which allows jurisdictions to apply local standards as long as they do not prevent the development of a small new home (or multiple homes in the case of lot splits). Staff predicts the uptake will be limited in part because homeowners already have many of the same rights under ADU law. In addition, the County has received 16 pre-applications and eight formal applications for a total of 24 SB 9 applications. No projects have been finalized to this date. The bigger change is likely permitting the splitting and sale of lots by homeowners.

Historically, zoning has reduced or eliminated the "missing middle[2]" housing type, leaving only single-family homes and large apartments, but little in between.

SB 9 went into effect on January 1, 2022. Other jurisdictions have taken various approaches to SB 9. Some have done the minimum required to meet state law while others have used it as an opportunity to promote additional missing middle housing.

ANALYSIS

In order to comply with state law and allow SB 9 developments, staff has developed proposed amendments to the Santa Cruz County Code, including new sections 13.10.327 and 13.10.328, which allow for two-unit developments without lot splits and those with lot splits, respectively. See Exhibit A for the draft amendments.

What Can Be Built

ADUs can be combined with primary units in a variety of ways to achieve the maximum unit

1 The Ellis Act is a 1985 California state law that allows landlords to evict residential tenants to "go out of the rental business.".

2 Refers to housing types such as duplexes/half-plexes, triplexes, quadplexes, bungalow courts, patio homes, and townhouses that have densities between those of single-family homes and mid-rise apartments.

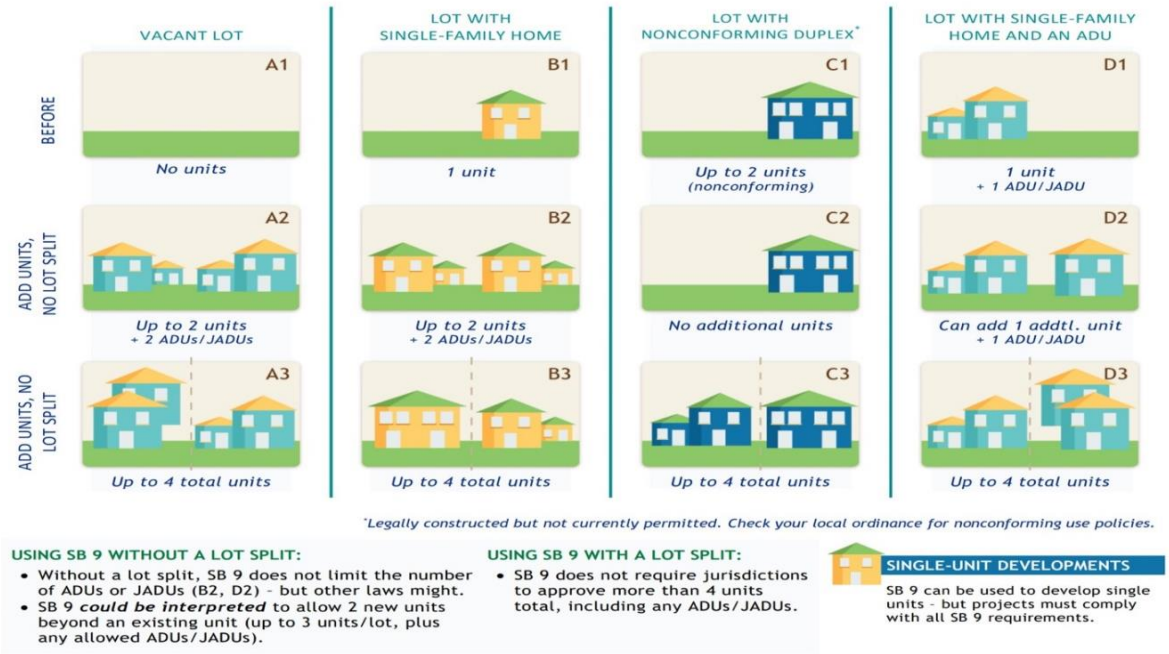
counts provided for under SB 9. SB 9 allows for up to four units to be built in the same lot area typically used for a single-family home. The calculation varies slightly depending on whether a lot split is involved, but the outcomes regarding a maximum of four units are identical.

Urban Lot Split. When a lot split occurs, the local jurisdiction must allow up to two units on each lot resulting from the lot split. In this situation, all three-unit types (i.e., primary unit, ADU, and Junior ADU) count toward this two-unit limit. For example, the limit could be reached on each lot by creating two primary units, or a primary unit and an ADU, or a primary unit and a Junior ADU. By building two units on each lot, the overall maximum of four units required under SB 9 is achieved. (Gov. Code, § 66411.7, subd. (j).) Note that the local jurisdiction may choose to allow more than two units per lot if desired.

Two-Unit Development. When a lot split has not occurred, the lot is eligible to develop ADUs and/or Junior ADUs as it ordinarily would under ADU law. Unlike when a project is proposed following a lot split, the local jurisdiction must allow, in addition to one or two primary units under SB 9, ADUs and/or JADUs under ADU law. In the following section, a graphic represents various combinations of primary units, ADUs, and JADUs possible under SB 9 and ADU Law. However, in no case does SB 9 require a local agency to allow more than four units on a single lot, in any combination of primary units, ADUs, and Junior ADUs.

<u>Scenarios</u>

The following graphic illustrates potential scenarios that could occur on a single-family property under SB 9 projects, two-unit development or urban lot splits:



Source: Association of Bay Area Governments (ABAG)

There are several choices an applicant may choose when pursuing an SB 9 project, whether it is through a two-unit development (no lot split) or through an SB 9 Urban Lot Split. Regardless of the direction an applicant may choose a maximum of four dwellings is permissible (two primary dwelling units and two accessory units through a combination of ADUs/JADUs).

Requirements and Limitations for Two-Unit Development and Urban Lot Split Projects:

- Ministerial review - Jurisdictions must review and process applications for SB 9 two-unit housing developments and urban lot splits ministerially without any discretionary/subjective review or CEQA.

- Objective standards - Jurisdictions may only impose objective zoning, design, and subdivision standards. Standards shall not physically preclude the construction of two units of less than 800 square feet each, per property.

- Four-foot rear and side setbacks - Jurisdictions may not impose residential setbacks greater than four feet for side and rear property lines.

- Rebuild demolished building with same setback - Jurisdictions may not impose any setback requirements for a new residence constructed in the same location and to the same dimensions as an existing structure that is demolished.

- Zero or one parking space - Jurisdictions may not require more than one parking space per unit. For properties within one-half mile walking distance of either a high-quality transit corridor or a major transit stop, or within one block of a car share vehicle, no parking spaces may be required.

- Basis for Project Denial

    - The two-unit development fails to comply with any objective development standard imposed by this ordinance. Any such requirement or condition that is the basis for denial shall be specified in writing.

    - The Building Official makes a written finding, based upon a preponderance of the evidence, that the proposed development would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5 and further specified in this ordinance, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

- Attached buildings allowed - Jurisdictions may not reject an application because it proposes adjacent or connected structures provided that the structures meet building code safety standards.

- Maximum unit size - New units constructed in a two-unit development shall be a maximum of 1,200 square feet. The justification of this cap is to help produce and encourage more affordable and “missing middle” housing in our community.

Urban Lot Split-Specific Rules:

- One lot split - Only one lot split allowed under SB 9. However, further splits may be possible under regular subdivision procedures.

- Residential only - The uses on the resulting lots are limited to residential uses.

- Approximately equal size - Each new parcel must be "approximately equal" in lot area provided that one parcel shall not be smaller than 40 percent the size of the original

parcel.

- Minimum 1,200 sf parcel - No parcel shall be less than 1,200 square feet. Jurisdictions may by ordinance adopt a smaller minimum lot size subject to ministerial approval.

- Intention to occupy - The subdivider must sign an affidavit stating they intend to occupy one of the units for a minimum of three years. The local jurisdiction cannot impose additional owner occupancy standards. Community land trusts and qualified nonprofits are exempted from this requirement.

- Limits on adjacent urban lot splits - Neither the subdivider nor any person "acting in concert" with the subdivider has previously subdivided an adjacent parcel using an urban lot split. SB 9 does not define what "acting in concert" means or how it would be proven.

- Dedications/Improvements - Jurisdictions may not require dedications of rights-of-way or the construction of offsite improvements.

- Easements - Jurisdictions may require easements required for the provision of public services and facilities and may require that parcels have access to, provide access to, or adjoin the public right of way.

- No correction of non-conforming conditions - Jurisdictions may not require correction of an existing non-conforming condition as a condition for ministerial approval.

Property Eligibility GIS Tool:
To assist with the implementation of the ordinance, staff are intending to develop a public facing GIS tool to help property owners pre-screen their properties for eligibility. The premise is to incorporate key eligibility requirements (that can be mapped) to screen out properties for ineligibility. Overall, this tool will help streamline application interest regarding any SB 9 project whether it is a two-unit development or urban lot split.

Regional Housing Needs Allocation (RHNA)
The County's Regional Housing Needs Allocation (RHNA) is 4,634 units in the eight-year Housing Element cycle. Any new units produced from SB 9 Residential Developments will count towards the County's progress of the 4,634 housing units allocated. Santa Cruz County must include all SB 9 units and applications for urban lot splits in their annual progress reports to the state.

LOCAL COASTAL PROGRAM
This ordinance would be applicable within the Coastal Zone and would be part of the County's Local Coastal Program's implementing ordinances. Following adoption of the ordinance by the Board of Supervisors, Staff would submit the adopted ordinance to the Coastal Commission for approval in the Coastal Zone.

ENVIRONMENTAL REVIEW
Enactment of this Ordinance is statutorily exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to Government Code sections 65852.21(j) and 66411.7(n), as this action is to adopt an ordinance to implement the requirements of sections 65852.21 and 66411.7 of the Government Code

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Exhibits:
A: Draft Senate Bill 9 Ordinance
B: Senate Bill 9 (Chapter 162, Statutes of 2021)
C: Map of Census Urban Area Boundaries

ORDINANCE NO._____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ ADDING NEW SANTA CRUZ COUNTY CODE SECTIONS 13.10.327 & 13.10.328, ALLOWING TWO-UNIT DEVELOPMENTS AND URBAN LOT SPLITS IN UNINCORPORATED AREAS OF SANTA CRUZ COUNTY

SECTION I

Section 13.10.327 of the Santa Cruz County Code is hereby added, to read as follows:

13.10.327 Two-unit residential developments.

(A) General Purposes. The purpose of this section is to provide for two-unit developments, pursuant to Government Code Section 65852.21. These regulations are provided in order to preserve public health, safety and general welfare, and to promote orderly growth and development. In cases where a requirement in the chapter directly conflicts with Government Code Section 65852.21, the Government Code governs.

(B) Definitions. For the purposes of this section, the following words and phrases shall be defined as set forth in this section and as further defined in Government Code Section 65852.21, where indicated. In the event of any conflict between the definitions in this section and definitions of the same or similar terms in Santa Cruz County Code (SCCC) 13.10.700, the definitions herein shall prevail:

(1) "Dwelling Unit", see SCCC 13.10.700-D;

(2) "Primary Dwelling Unit," means one single-family or multi-family residential unit designated on a single parcel, as defined in the definition of "Dwelling Unit" in SCCC 13.10.700-D;

(3) "Major Transit Stop," as defined in California Code, Public Resources Code Section 21064.3, means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods;

(4) Census Urban Area" means an urbanized area or urban cluster, as designated by the United States Census Bureau and as mapped in the County Geographic Information System (GIS).

(C) Property Eligibility Requirements.

(1) The parcel shall be located wholly within the "Census Urban Area," as defined.

(2) The parcel shall be located within the SU, R-1, RA, RB, or RR zone districts, exclusively. A parcel within the SU zone district must have an underlying residential General Plan land use designation, including R-MT, R-R, R-S, R-UVL, R-UL, R-UM, or R-UH, to be eligible.

(3) The parcel is not located on a parcel containing any of the following hazards and areas:

(a) Hazard areas identified in subsection (6) of Government Code 65913.4, subparagraphs (B) through (K).

(b) Sensitive habitat areas, as identified pursuant to SCCC 16.32.040.

(c) Coastal bluffs and beaches, or other Environmentally Sensitive Habitat Areas, as defined in SCCC 13.20.040.

(d) Historic district or property included on the State Historic Resources Inventory or designated or listed as a County historic property or historic district in the County's Historic Resources Inventory.

(e) Critical fire hazard area, as mapped in the County GIS.

(4) A parcel located in any of the following areas as identified in the County General Plan/Local Coastal Program or County Code requires sufficient mitigation to be allowed.

(a) Areas of Geologic Hazards, as defined in SCCC Chapter 16.10, with approved mitigation.

(b) 100-year flood hazard areas and floodways, as defined and mitigated per SCCC Chapter 16.13.

(c) State Response Areas (SRAs), including very high fire severity zones, unless mitigation is provided per subsection (6), subparagraph (D) of Government Code 65913.4 and is located outside Critical Fire hazard areas, as mapped in County GIS.

(5) No Ellis Act evictions(s) have occurred for any existing housing on the property in the 15 years prior to submittal of the application.

(D) Project Requirements.

(1) For two-unit residential development only, the project shall contain no more than two primary residential units on a single parcel,plus accessory dwelling units (ADUs) or junior ADUs (JADUs) consistent with SCCC 13.10.681. The total number of units (primary units, ADUs and JADUs) may not exceed four units on a single parcel. ADUs and JADUs included in two-unit residential development must comply with the County ADU regulations and State law.

(2) The project will not require demolition or alteration of any 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.

(c) Housing that has been occupied by a tenant (rent paying or not) in the last three years.

(3) The project does not allow the demolition of more than 25 percent of the existing exterior structural walls unless it meets all the following conditions:

(a) Does not fall under the criteria listed in subsection (C)(6) .

(b) Accords with the demolition and conversion of residential structures regulations set in SCCC 12.06.

(c) Would not result in a net loss of units; a replacement unit is required if demolition occurs.

(4) All new rental units resulting from any two-unit residential development project shall be rented long term (greater than 30 days).

(E) Objective Development Standards. Two-unit residential development shall comply with the objective development standards below, except that no standard shall preclude the development of a unit up to 800 square feet. In the event that a standard is reduced, the reduction shall be the minimum required to accommodate the unit.

(1) Residential Structure Type.

(a) Attached single-family, detached single-family or multi-family duplex structures are allowed for two-unit residential developments. Duplexes may include either two primary units, or a primary unit and one ADU, or a primary unit and one JADU.

(b) Mobile homes are allowed for two-unit residential developments compliant with the adopted California Building Code. A mobile home is required to be less than 10 years old and placed on a permanent foundation.

(c) Tiny Homes on Wheels (THOW) are allowed for two-unit residential developments as a primary dwelling unit or an ADU pursuant to SCCC 13.10.680.

(d) Existing ADUs may be converted into a primary dwelling unit. If an ADU is converted, the maximum number of two primary dwellings units for a two-unit residential development will be achieved.

(e) Triplexes or fourplexes comprised of primary dwellings plus ADUs and JADUs may be allowed for a two-unit residential development.

(2) Maximum Unit Size. New units constructed in a two-unit development shall be a maximum of 1,200 square feet.

(3) Accessory Structures. Habitable and non-habitable accessory structures shall comply with SCCC 13.10.611.

(4) Lot Standards.

(a) For existing development on two-unit residential development applications, no setback is required for an existing structure or for a structure reconstructed in the same location and to the same dimensions as an existing structure.

(b) Front yard setback, height, lot coverage, and floor area ratio shall meet the standards of the zoning district in SCCC 13.10.323, except as provided below.

(c) The minimum side and rear setbacks are four feet, subject to restrictions of any onsite public utility easements.

(d) Pleasure Point standards. Pleasure Point standards shall apply, except if the required 10-foot second story setbacks are infeasible for an 800 square foot dwelling, the setback may be reduced by the minimum necessary to accommodate the proposed project. Side and rear setbacks for the second story shall be no less than four feet. In the event of a conflict, the standards herein shall prevail.

(5) Parking Standards.

(a) Primary dwelling units shall comply with parking standards pursuant to SCCC 13.16. If infeasible, parking may be reduced as provided in SCCC 13.16.070, but a minimum of one parking space (covered or uncovered) per existing or proposed primary dwelling unit must be provided, except as provided below.

(i) If the parcel is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code, no parking shall be required.

(b) All ADU and JADU parking shall comply with SCCC 13.10.681 (D)(7)(d).

(6) Two-unit residential development projects shall meet the following buildability criteria:

(a) All lots shall have a "Will Serve" letter from a water district or mutual water company, or an Individual Water Service Permit issued by the County Environmental Health Department for a well or other water source prior to issuance of a building permit, pursuant to Lists of Required Information (LORIs).

(b) The parcel shall have or qualify for a compliant sewage disposal system, either a septic system sized for the development and approved by the County Environmental Health Department, or a sewer connection provided by the wastewater provider, as applicable.

(c) If units are connected to an onsite wastewater treatment system (OWTS), the OWTS must meet or be upgraded to meet current standards in compliance with SCCC Chapter 7.38.

(d) Emergency Vehicle Access. The site access must comply with the fire district access standards applicable to both new and existing roads.

(e) Site Safety. The building site shall be free from geologic hazards to the extent that the safety of the proposed development can be ensured. A geological hazards assessment, full geologic report, soils (also called "geotechnical") report, or hydrologic report may be required to assess or address environmental/safety concerns.

(f) Legal Access. A parcel may not be used as a building site unless its principal frontage and access is located on a public right-of-way or legally deeded access.

(g) Structures shall comply with minimum setbacks from off-site environmentally sensitive habitat areas, geologic hazards, and other environmental protection setbacks as specified in SCCC Title 16 or the setbacks established through a biotic report / geological hazards assessment, respectively.

(F) Application Procedures

(1) Two-unit residential development projects shall be approved ministerially if the application complies with the eligibility requirements and objective development standards herein. If discretionary review is triggered by the project, application will be denied.

(2) Projects in the Coastal Zone.

(a) Projects located within the Coastal Zone shall be considered a "minor development" as defined in SCCC 13.20.040 and shall require a coastal development permit pursuant to SCCC 13.20.100, except that no public hearing shall be held.

(b) For a two-unit residential development in the Coastal Zone, the development being inconsistent with Chapter 3 of the California Coastal Act is basis for project denial.

(c) Nothing in this chapter shall supersede or in any other way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20, commencing with Section 30000, of the Public Resources Code).

(3) Basis for Project Denial

(a) An application shall be denied for a two-unit residential development if any of the following is found:

(i) The two-unit development fails to comply with any objective development standard imposed by this section. Any such requirement or condition that is the basis for denial shall be specified in writing.

(ii) The Building Official makes a written finding, based upon a preponderance of the evidence, that the proposed development would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5 and further specified in this ordinance, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

SECTION II

Section 13.10.328 of the Santa Cruz County Code is hereby added, to read as follows:

13.10.328 Urban lot split.

(A) General Purposes. The purpose of this section is to provide for urban lot splits, pursuant to Government Code Section 65852.21. These regulations are provided in order to preserve public health, safety and general welfare, and to promote orderly growth and development. In cases where a requirement in the chapter directly conflicts with Government Code Section 65852.21, the Government Code governs.

(B) Definitions.

(1) "Urban lot split" means a subdivision of a parcel within a "Single-Family Residential" zone district, as defined, into two parcels pursuant to Government Code Section 66411.7.

(2) See SCCC 13.10.327(B) for additional definitions relevant to this section.

(C) Nothing in this chapter shall be construed to supersede or in any other way alter or lessen the effect of application of the California Coastal Act of 1976 (Division 20, commencing with Section 30000, of the Public Resources Code).

(D) Additional Eligibility Requirements for an Urban Lot Split. See SCCC 13.10.327(C) for additional urban lot split eligibility requirements.

(1) Parcel Map Required. A parcel map is required for all urban lot splits pursuant to Government Code Section 66411.7 and shall comply with parcel map requirements pursuant to SCCC Chapter 14.01.

(2) No Prior Urban Lot Split:

(a) The parcel has not been established through a prior urban lot split; and

(b) Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot split.

(3) Property owners are required to occupy a unit on one of the lots as their primary residence for a minimum of three years.

(4) The site plan shall indicate at least one existing legal dwelling unit on the property or one existing dwelling unit under construction (passed first inspection) at the time of application submittal. Documentation of occupancy status of existing structures may be required.

(5) Both new lots shall be limited to residential uses only.

(6) Urban lot splits shall allow up to two 800 square foot primary units on each lot created. Existing primary dwelling units are not subject to the 800 square foot provision. An accessory dwelling unit (ADU) and a junior accessory dwelling unit (JADU) count toward the two-unit total per lot. Units may be attached or detached. An urban lot split may include the development of two primary dwellings per lot or one primary dwelling and one ADU or one primary dwelling and one JADU per lot, or one primary dwelling on one lot and no development on the other lot. A maximum of four total units may result from an urban lot split.

(7) ADU and JADUs are subject to SCCC 13.10.681.

(8) Existing or proposed common interest developments are not eligible.

(9) No urban lot split shall be allowed that requires a discretionary permit for an exception to objective standards or requires any other discretionary review other than a coastal development permit.

(E) Objective Development Standards. All urban lot splits shall comply with the objective development standards below, except that no standard shall preclude the development of a unit up to 800 square feet. In the event that a standard is reduced, the reduction shall be the minimum required to accommodate the unit.

(1) Existing Parcel Size. The area of the existing parcel is 2,400 square feet or more (net site area).

(2) Number of New Parcels. The urban lot split creates no more than two new parcels.

(3) New Parcel Size. The two new parcels shall be of approximately equal net site area. The minimum parcel size allowed for each new lot resulting from an urban lot split is 1,200 square feet (net site area), or 40 percent of the existing parcel area, whichever is greater, based on net site area.

(4) Parcels with septic systems shall comply with gross parcel size pursuant to SCCC Chapter 7.38.

(5) The maximum parcel size allowed is 60 percent of the existing parcel's net site area.

(6) Any parcel proposed for an urban lot split must itself be a legal parcel of record created in compliance with the Subdivision Map Act and County Code.

(7) Any urban lot split involving a vacant parcel shall meet the buildability criteria stated in SCCC 13.10.327(E)(6).

(8) Lots created by an urban lot split shall allow parking according to the standards requirements in SCCC 13.10.327(E)(5).

(9) Access to Public Right-of-way. The newly created parcels shall provide access to or adjoin the public right-of-way, sufficient to allow development on the parcel to comply with all applicable property access requirements under the California Fire Code section 503 (Fire Apparatus Access Roads) and California Code Regulations Title 14, section 1273.00 et seq. (Intent).

(a) Shared Driveways. Driveway access shall meet the applicable fire agency standard, including driveway width, fire turnaround, turning radius, slope, driveway surface. The minimum driveway width is 12 feet or the fire agency standard, whichever is greater.

(10) Setbacks. Lots created by an urban lot split shall allow for structures to meet the lot standards pursuant to 13.10.327(E)(4).

(11) Existing Structure on One Parcel. The proposed lot split shall not result in the splitting of any structure between the two parcels and shall not create a new encroachment of an existing structure over a property line.

(12) Floor Area and Lot Coverage. Lots created by an urban lot split shall allow for structures to meet the lot standards pursuant to 13.10.327(E)(4).

(i) If application of the zone district standard for lot coverage or FAR would preclude a proposed lot split, the standard may be reduced by the minimum amount

necessary to allow development per the land division as determined by the Planning Director or their designee.

(13) Compliance with Subdivision Requirements. The parcel map shall satisfy the objective requirements of the Subdivision Map Act and SCCC Chapter 14.01. Non-title site requirements, disclosures and other information may also be required on the Parcel Map documents by the Planning Director.

(14) The site plan shall indicate at least one existing legal dwelling unit on the property or one existing dwelling unit under construction (permitted and passed first inspection) at the time of application submittal. The structure shall be final and occupied by the owner prior to map recordation. Documentation of occupancy status of existing structures may be required.

(15) Any vacant parcel proposed for a two-unit residential development or urban lot split must be a legal lot of record created in compliance with the Subdivision Map Act and Santa Cruz County Code.

(F) Deed Restrictions. Before obtaining a building permit for a two-unit residential development, the property owner shall file with the Santa Cruz County Recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the current owner. The deed restriction shall state that:

(1) The maximum size of any new primary dwelling unit is limited to 800 or 1,200 square feet, as determined during the lot split approval.

(2) The primary use of the dwelling unit must be residential.

(3) For two-unit residential developments involving an urban lot split with a shared driveway, maintenance and use of the shared driveway must be permanently provided through a reciprocal access easement and maintenance agreement or other comparable mechanism.

(4) The dwelling unit may not be used for vacation rentals as defined in 13.10.700 V.

(5) The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement pursuant to SCCC 19.01.

(6) The deed restriction shall lapse upon removal of all dwelling units established under this section.

SB-9 Housing development: approvals. (2021-2022)

Date Published: 09/17/2021 09:00 PM

Senate Bill No. 9

CHAPTER 162

An act to amend Section 66452.6 of, and to add Sections 65852.21 and 66411.7 to, the Government Code, relating to land use.

[Approved by Governor September 16, 2021. Filed with Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 9, Atkins. Housing development: approvals.

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.

This bill, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of 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, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving the construction of 2 residential units, including, but not limited to, authorizing a local agency to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of up to 2 units or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances.

The Subdivision Map Act vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification of those maps. Under the Subdivision Map Act, an approved or conditionally approved tentative map expires 24 months after its approval or conditional approval or after any additional period of time as prescribed by local ordinance, not to exceed an additional 12 months, except as provided.

This bill, among other things, would require a local agency to ministerially approve a parcel map for an urban lot split that meets certain requirements, including, but not limited to, that the urban lot split would not require the demolition or alteration of 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, that the parcel is located within a single-family residential zone, and that the parcel is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving an urban lot split, including, but not limited to, authorizing a local agency to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of 2 units, as defined, on either of the resulting parcels or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances. The bill would require an applicant to sign an affidavit stating that they intend to occupy one of the housing units as their principal residence for a minimum of 3 years from the date of the approval of the urban lot split, unless the applicant is a community land trust or a qualified nonprofit corporation, as specified. The bill would prohibit a local agency from imposing any additional owner occupancy standards on applicants. By requiring applicants to sign affidavits, thereby expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would also extend the limit on the additional period that may be provided by ordinance, as described above, from 12 months to 24 months and would make other conforming or nonsubstantive changes.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

This bill, by establishing the ministerial review processes described above, would thereby exempt the approval of projects subject to those processes from CEQA.

The California Coastal Act of 1976 provides for the planning and regulation of development, under a coastal development permit process, within the coastal zone, as defined, that shall be based on various coastal resources planning and management policies set forth in the act.

This bill would exempt a local agency from being required to hold public hearings for coastal development permit applications for housing developments and urban lot splits pursuant to the above provisions.

By increasing the duties of local agencies with respect to land use regulations, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65852.21 is added to the Government Code, to read:

65852.21. (a) A proposed housing development containing no more than two residential units within a single-family residential zone shall be considered ministerially, without discretionary review or a hearing, if the proposed housing development meets all of the following requirements:

(1) The parcel subject to the proposed housing development is located within a city, the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(3) Notwithstanding any provision of this section or any local law, the proposed housing development would not require demolition or alteration 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 parcel subject to the proposed housing development is not a parcel on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(5) The proposed housing development does not allow the demolition of more than 25 percent of the existing exterior structural walls, unless the housing development meets at least one of the following conditions:

(A) If a local ordinance so allows.

(B) The site has not been occupied by a tenant in the last three years.

(6) The development is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, 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.

(b) (1) Notwithstanding any local law and except as provided in paragraph (2), a local agency may impose objective zoning standards, objective subdivision standards, and objective design review standards that do not conflict with this section.

(2) (A) The local agency shall not impose objective zoning standards, objective subdivision standards, and objective design standards that would have the effect of physically precluding the construction of up to two units or that would physically preclude either of the two units from being at least 800 square feet in floor area.

(B) (i) Notwithstanding subparagraph (A), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(ii) Notwithstanding subparagraph (A), in all other circumstances not described in clause (i), a local agency may require a setback of up to four feet from the side and rear lot lines.

(c) In addition to any conditions established in accordance with subdivision (b), a local agency may require any of the following conditions when considering an application for two residential units as provided for in this section:

(1) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(2) 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.

(d) Notwithstanding subdivision (a), a local agency may deny a proposed housing development project if the building official makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(e) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(f) Notwithstanding Section 65852.2 or 65852.22, a local agency shall not be required to permit an accessory dwelling unit or a junior accessory dwelling unit on parcels that use both the authority contained within this section and the authority contained in Section 66411.7.

(g) Notwithstanding subparagraph (B) of paragraph (2) of subdivision (b), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

(h) Local agencies shall include units constructed pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

(i) For purposes of this section, all of the following apply:

(1) A housing development contains two residential units if the development proposes no more than two new units or if it proposes to add one new unit to one existing unit.

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

(3) "Local agency" means a city, county, or city and county, whether general law or chartered.

(j) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(k) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local agency shall not be required to hold public hearings for coastal development permit applications for a housing development pursuant to this section.

SEC. 2. Section 66411.7 is added to the Government Code, to read:

66411.7. (a) Notwithstanding any other provision of this division and any local law, a local agency shall ministerially approve, as set forth in this section, a parcel map for an urban lot split only if the local agency determines that the parcel map for the urban lot split meets all the following requirements:

(1) The parcel map subdivides an existing parcel to create no more than two new parcels of approximately equal lot area provided that one parcel shall not be smaller than 40 percent of the lot area of the original parcel proposed for subdivision.

(2) (A) Except as provided in subparagraph (B), both newly created parcels are no smaller than 1,200 square feet.

(B) A local agency may by ordinance adopt a smaller minimum lot size subject to ministerial approval under this subdivision.

(3) The parcel being subdivided meets all the following requirements:

(A) The parcel is located within a single-family residential zone.

(B) The parcel subject to the proposed urban lot split is located within a city, the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(C) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(D) The proposed urban lot split would not require demolition or alteration of any of the following types of housing:

(i) 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.

(ii) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(iii) A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(iv) Housing that has been occupied by a tenant in the last three years.

(E) The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, 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.

(F) The parcel has not been established through prior exercise of an urban lot split as provided for in this section.

(G) Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot split as provided for in this section.

(b) An application for a parcel map for an urban lot split shall be approved in accordance with the following requirements:

(1) A local agency shall approve or deny an application for a parcel map for an urban lot split ministerially without discretionary review.

(2) A local agency shall approve an urban lot split only if it conforms to all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)), except as otherwise expressly provided in this section.

(3) Notwithstanding Section 66411.1, a local agency shall not impose regulations that require dedications of rights-of-way or the construction of offsite improvements for the parcels being created as a condition of issuing a parcel map for an urban lot split pursuant to this section.

(c) (1) Except as provided in paragraph (2), notwithstanding any local law, a local agency may impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to a parcel created by an urban lot split that do not conflict with this section.

(2) A local agency shall not impose objective zoning standards, objective subdivision standards, and objective design review standards that would have the effect of physically precluding the construction of two units on either of the resulting parcels or that would result in a unit size of less than 800 square feet.

(3) (A) Notwithstanding paragraph (2), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(B) Notwithstanding paragraph (2), in all other circumstances not described in subparagraph (A), a local agency may require a setback of up to four feet from the side and rear lot lines.

(d) Notwithstanding subdivision (a), a local agency may deny an urban lot split if the building official makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(e) In addition to any conditions established in accordance with this section, a local agency may require any of the following conditions when considering an application for a parcel map for an urban lot split:

(1) Easements required for the provision of public services and facilities.

(2) A requirement that the parcels have access to, provide access to, or adjoin the public right-of-way.

(3) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(f) A local agency shall require that the uses allowed on a lot created by this section be limited to residential uses.

(g) (1) A local agency shall require an applicant for an urban lot split to sign an affidavit stating that the applicant intends to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of the urban lot split.

(2) This subdivision shall not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, or is a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code.

(3) A local agency shall not impose additional owner occupancy standards, other than provided for in this subdivision, on an urban lot split pursuant to this section.

(h) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(i) A local agency shall not require, as a condition for ministerial approval of a parcel map application for the creation of an urban lot split, the correction of nonconforming zoning conditions.

(j) (1) Notwithstanding any provision of Section 65852.2, 65852.21, 65852.22, 65915, or this section, a local agency shall not be required to permit more than two units on a parcel created through the exercise of the authority contained within this section.

(2) For the purposes of this section, "unit" means any dwelling unit, including, but not limited to, a unit or units created pursuant to Section 65852.21, a primary dwelling, an accessory dwelling unit as defined in Section 65852.2, or a junior accessory dwelling unit as defined in Section 65852.22.

(k) Notwithstanding paragraph (3) of subdivision (c), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

(l) Local agencies shall include the number of applications for parcel maps for urban lot splits pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

(m) For purposes of this section, both of the following shall apply:

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

(2) "Local agency" means a city, county, or city and county, whether general law or chartered.

(n) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(o) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local agency shall not be required to hold public hearings for coastal development permit applications for urban lot splits pursuant to this section.

SEC. 3. Section 66452.6 of the Government Code is amended to read:

66452.6. (a) (1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 24 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars ($236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way that abut the boundary of the property to be subdivided and that are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 48 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. However, a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement. The number of phased final maps that may be filed shall be determined by the advisory agency at the time of the approval or conditional approval of the tentative map.

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars ($236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

(3) "Public improvements," as used in this subdivision, include traffic controls, streets, roads, highways, freeways, bridges, overcrossings, street interchanges, flood control or storm drain facilities, sewer facilities, water facilities, and lighting facilities.

(b) (1) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include any period of time during which a development moratorium, imposed after approval of the tentative map, is in existence. However, the length of the moratorium shall not exceed five years.

(2) The length of time specified in paragraph (1) shall be extended for up to three years, but in no event beyond January 1, 1992, during the pendency of any lawsuit in which the subdivider asserts, and the local agency that approved or conditionally approved the tentative map denies, the existence or application of a development moratorium to the tentative map.

(3) Once a development moratorium is terminated, the map shall be valid for the same period of time as was left to run on the map at the time that the moratorium was imposed. However, if the remaining time is less than 120 days, the map shall be valid for 120 days following the termination of the moratorium.

(c) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include the period of time during which a lawsuit involving the approval or conditional approval of the tentative map is or was pending in a court of competent jurisdiction, if the stay of the time period is approved by the local agency pursuant to this section. After service of the initial petition or complaint in the lawsuit upon the local agency, the subdivider may apply to the local agency for a stay pursuant to the local agency's adopted procedures. Within 40 days after receiving the application, the local agency shall either stay the time period for up to five years or deny the requested stay. The local agency may, by ordinance, establish procedures for reviewing the requests, including, but not limited to, notice and hearing requirements, appeal procedures, and other administrative requirements.

(d) The expiration of the approved or conditionally approved tentative map shall terminate all proceedings and no final map or parcel map of all or any portion of the real property included within the tentative map shall be filed with the legislative body without first processing a new tentative map. Once a timely filing is made, subsequent actions of the local agency, including, but not limited to, processing, approving, and recording, may lawfully occur after the date of expiration of the tentative map. Delivery to the county surveyor or city engineer shall be deemed a timely filing for purposes of this section.

(e) Upon application of the subdivider filed before the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or

periods not exceeding a total of six years. The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a). Before the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider's application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.

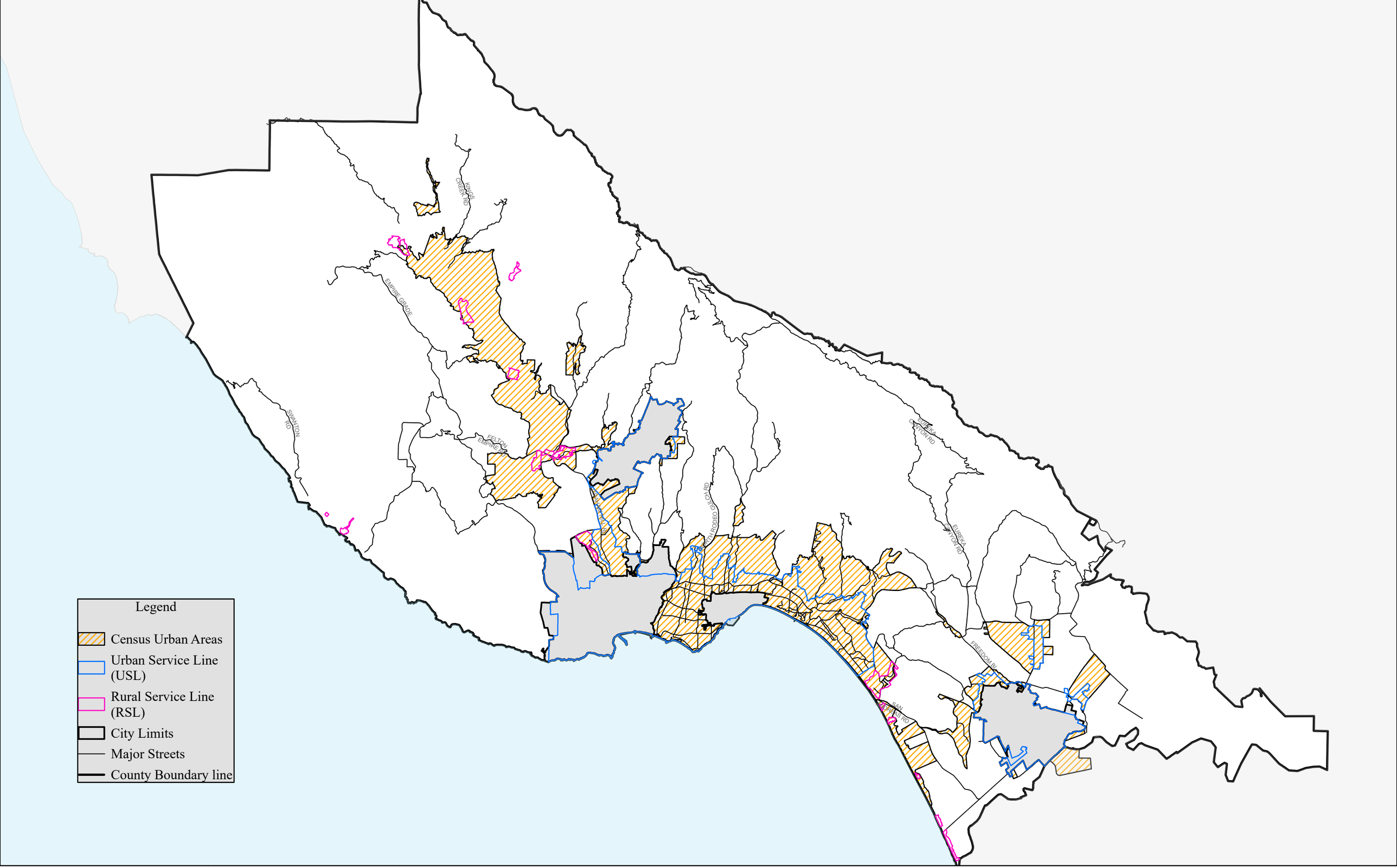
(f) For purposes of this section, a development moratorium includes a water or sewer moratorium, or a water and sewer moratorium, as well as other actions of public agencies that regulate land use, development, or the provision of services to the land, including the public agency with the authority to approve or conditionally approve the tentative map, which thereafter prevents, prohibits, or delays the approval of a final or parcel map. A development moratorium shall also be deemed to exist for purposes of this section for any period of time during which a condition imposed by the city or county could not be satisfied because of either of the following:

(1) The condition was one that, by its nature, necessitated action by the city or county, and the city or county either did not take the necessary action or by its own action or inaction was prevented or delayed in taking the necessary action before expiration of the tentative map.

(2) The condition necessitates acquisition of real property or any interest in real property from a public agency, other than the city or county that approved or conditionally approved the tentative map, and that other public agency fails or refuses to convey the property interest necessary to satisfy the condition. However, nothing in this subdivision shall be construed to require any public agency to convey any interest in real property owned by it. A development moratorium specified in this paragraph shall be deemed to have been imposed either on the date of approval or conditional approval of the tentative map, if evidence was included in the public record that the public agency that owns or controls the real property or any interest therein may refuse to convey that property or interest, or on the date that the public agency that owns or controls the real property or any interest therein receives an offer by the subdivider to purchase that property or interest for fair market value, whichever is later. A development moratorium specified in this paragraph shall extend the tentative map up to the maximum period as set forth in subdivision (b), but not later than January 1, 1992, so long as the public agency that owns or controls the real property or any interest therein fails or refuses to convey the necessary property interest, regardless of the reason for the failure or refusal, except that the development moratorium shall be deemed to terminate 60 days after the public agency has officially made, and communicated to the subdivider, a written offer or commitment binding on the agency to convey the necessary property interest for a fair market value, paid in a reasonable time and manner.

SEC. 4. The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 1 and 2 of this act adding Sections 65852.21 and 66411.7 to the Government Code and Section 3 of this act amending Section 66452.6 of the Government Code apply to all cities, including charter cities.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



Source: Santa Cruz County. Please refer to Santa Cruz County GISWeb for the latest data and maps available.

EXHIBIT C