



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: December 8, 2025

ITEM NUMBER: PH-3

SUBJECT: AN ORDINANCE TO AMEND TITLE 13 OF THE COSTA MESA MUNICIPAL CODE TO ALLOW FOR MINISTERIAL APPROVAL OF TWO-UNIT SMALL LOT ORDINANCE PROJECTS (PCTY-25-0007)

**FROM: ECONOMIC AND DEVELOPMENT SERVICES
DEPARTMENT/PLANNING DIVISION**

PRESENTATION BY: CHRIS YEAGER, SENIOR PLANNER

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RECOMMENDATION

Staff recommends the Planning Commission adopt a Resolution to:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant CEQA Guidelines Section 15061(b)(3); and
2. Recommend that the City Council adopt an Ordinance approving Code Amendment PCTY-25-0007, amending Title 13 of the Costa Mesa Municipal Code (Zoning Code) pertaining to two-unit Small Lot Ordinance projects.

APPLICANT OR AUTHORIZED AGENT

The subject Zoning Code Amendment is a City-initiated request.

BACKGROUND

Small Lot Subdivision Ordinance History

On April 1, 2014, the City adopted the Small Lot Subdivision Ordinance (SLO) (Ord. 14-04), which allows the subdivision of multi-family zoning lots into small, fee-simple parcels without requiring a common lot or the formation of a homeowners' association (HOA). The SLO applies to residential subdivisions of two to fifteen (2-15) units within the city's multi-family zones, which includes: the (R2-MD) Multiple-Family Residential District, Medium Density, the (R2-HD) Multiple-Family Residential District, High Density, and the (R3) Multiple-Family Residential Districts. The purpose and intent of the SLO was to promote attainable ownership housing by allowing more flexible development standards and maintenance mechanisms for underutilized multi-family lots, while staying within densities permitted by the General Plan.

The 2014 Ordinance (among other associated revisions) added a dedicated section within the Zoning Code (Section 13-42) establishing development standards for detached residential projects of up to 15 units without modifying the existing "Common Interest Development" standards. The SLO was not intended to increase allowable density within multi-family zones, alter minimum parking requirements, or change the existing approval process for small subdivisions (Parcel/Tract Maps).

At the time of adoption, this was the first SLO in Orange County. See the links below for additional information regarding the initial Ordinance:

April 1, 2014 Staff Report (2nd Reading):

<http://ftp.costamesaca.gov/costamesaca/council/agenda/2014/2014-04-01/OB-1.pdf>

March 4, 2014 Staff Report (1st Reading):

<https://www.costamesaca.gov/home/showpublisheddocument/13817/636490563866670000>

Since 2014, the SLO has been amended by the Council on three occasions. Below is a summary and of the amendments (links are also provided):

- [April 21, 2015 \(Ord. 15-03\)](#): Revised side-yard setbacks from 10 feet to 5 feet to align with the R2-MD, R2-HD, and R3 development standards, and modified parking requirements to allow one (1) open parking space.
- [September 18, 2018 \(Ord. 18-10\)](#): Further amended the SLO to revise open space and second-floor setback requirements, allow two (2) open parking spaces, and update flag-lot driveway design standards.
- [December 7, 2021 \(Ord. 21-20\)](#): Council approved a technical code clean-up to the Zoning Code. As a result, the SLO was amended to eliminate the limitation that side-by-side attached units be restricted to four (4) or fewer units per building and removed the prior requirement to include a façade break between such units.

Since the initial adoption of the SLO, Planning Commission review has been required for the requisite tentative tract/parcel map, and Design Review is typically required for most applications. Specifically, in the City, any construction that results in three or more dwelling units on a development lot in any residential zone, except planned development, is subject to design review. Additionally, for projects with less than three units, the City's current standards requires minor design review for any two-story construction on a lot that results in two or fewer dwelling units or any second-story addition on a lot with more than two dwelling units in the multifamily zones (R2-MD, R2-HD, and R3), and any two-story construction or second-floor addition in the R1 zone.

Senate Bill (SB) 9 - Urban Lot Split for R1

On January 1, 2022, Senate Bill 9 (SB 9) went into effect, requiring ministerial review for qualifying two-unit developments and for "urban lot splits" in the City's Single Family Residential (R1) zoning district. The law limits local discretionary review and caps the number of units per lot created by the statute to a practical maximum of four units on an original single-family lot when combined with Accessory Dwelling Units (ADUs) and/or Junior Accessory Dwelling Units (JADUs). Under these requirements, both one- and two-story structures are permitted by right.

Additionally, approval of SB 9 projects can only be based on objective standards which the City Council incorporated into Urgency Ordinance 2021-21 on December 7, 2021. More recently, on October 7, 2025, City Council codified the Urgency Ordinance as part of a Technical Code Update. See the links below for additional information.

December 7, 2021 Staff Report:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=5349698&GUID=33A8811C-7717-4B91-B25C-6E6E2A7787E4>

December 7, 2021 Video:

https://costamesa.granicus.com/player/clip/3805?view_id=14&redirect=true

October 7, 2025 Staff Report:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7686606&GUID=4504BA6A-3428-43CD-B106-68DFECF410F0>

October 7, 2025 Video:

https://costamesa.granicus.com/player/clip/4311?view_id=14&redirect=true

With the adoption of these Ordinances, ministerial processing of two-lot subdivisions is now permitted on all R1 properties in the City. However, the Zoning Code does not allow for the same ministerial processing in multiple-family residential zones, where multi-family developments are more likely to already exist. Currently, the City's SLO (Chapter V, Article 2.5 of the Zoning Code) allows for the subdivision of multiple-family zoned

properties into a maximum of 15 fee-simple lots at the density established by the underlying zoning district. SLO projects are subject to specific development standards and are required to obtain Planning Commission approval of tentative parcel/tract map and as noted above, often design review. This code amendment is proposed to allow for ministerial processing of parcel maps and development applications for two-unit SLO subdivisions on all multiple family zoned lots in the City (R2-MD, R2-HD, and R3), similar to what is permitted in the R1 district.

DESCRIPTION

The Zoning Code amendment is proposed to allow for ministerial processing of two-unit small lot subdivisions, Chapter II, Section 13-29; and Chapter V, Section 13-42.2 and Chapter V, Section 13-42.3 of the Zoning Code are proposed to be amended to allow for a ministerial review of subdivisions of up to two main units in multiple-family zoning districts (R2-MD, R2-HD, and R3 zones). Three or more main units (up to 15 units) would still be required to obtain approval from the Planning Commission.

Additional amendments to the SLO are proposed to provide clarity, ensure consistency with past practices, and reduce barriers to housing development, further increase opportunities for home ownership, and eliminate Design Review for projects containing two or fewer units.

To ensure that all projects are processed ministerially using objective standards, a new development checklist (Attachment 3) is proposed and would be required for all ministerial SLO applications.

ANALYSIS

The existing SLO (Chapter V, Section 13-32 of the Zoning Code) consists of sections outlining the application and specific development standards and requirements. The proposed SLO code amendment also includes modifications to the development standards to provide clarity and to reduce burdens on SLO projects. Each proposed subdivision, whether ministerial or not, would largely still be subject to the same requirements that are currently in place. To facilitate the ministerial review, the Planning Application section of the zoning code is also proposed to be amended.

The following discussion outlines the proposed revisions to the Zoning Code and provides justification for said revision. The comprehensive strikethrough version is included in Attachment 2.

Planning Applications

Zoning Code Chapter III, Table 13-29(c), Planning Applications Review Process, is proposed to be modified to allow for the ministerial processing of parcel maps for two-unit SLO subdivisions. The table includes provisions that no public notice or public hearing is required and that the Planning Division would be the final review authority for qualifying projects.

As noted above, the City adopted a process and standards for approving tentative parcel maps for urban lot splits in the R1 zoning district; however, the Planning Application table was never modified to allow for the ministerial approval of those parcel maps. This code amendment remedies this omission and indicates that two-unit subdivisions will be reviewed in the same manner, as currently allowed in the R1 zoning district.

Small Lot Ordinance Planning Applications Required

Zoning Code Chapter V, Section 13-42.2 requires a subdivision and design review to be reviewed by the Planning Commission for two-unit, SLO projects. This code section is proposed to be amended exempts two-unit SLO from the design review requirements and to allow for ministerial processing of requisite parcel maps.

To maintain the ministerial processing of two-unit developments, design review would no longer be required; however, any proposed project would be required to submit a SLO Checklist (Attachment 3) with an application, which is further discussed below. The project and checklist would be reviewed against the applicable objective development standards to ensure compliance.

Small Lot Ordinance Development Standards and Requirements

Zoning Code Chapter V, Section 13-42.3 provides the development standards and requirements for all SLO projects. Amendments to this section are proposed to provide clarity based on interpretations and previous project approvals. Language is proposed to clarify the setback required for the development lots, and not the individual subdivided lots. The front setback is already called out as the development lot; however, the side and rear setbacks are not clear. Previous approvals of SLO projects throughout the City have included the requirement as development lot setbacks and this proposed code amendment would codify these practices.

It is typical for SLO projects to include flag lots on narrow parcels with a front unit and a second unit being constructed behind accessed by a driveway on either side of the front unit. These lots are referred to as flag lots. The SLO flag lot driveway standards require a 16-foot-wide driveway to access the rear unit. Residential Development Standards that apply to all other residential projects (CMMC Table 13-32), require a minimum driveway width of 10 feet for driveways providing access to only one unit. The code amendment

proposes to reduce the required driveway width to 10 feet for flag lots provided that the driveway provides access to only one unit. The reduced driveway width would allow for additional buildable space on the development lot.

Two Unit Small Lot Ordinance Check List

The ordinance introduces that ministerial approval of a project can be obtained when it meets objective standards. To ensure objectivity, and to provide transparency to developers, a Two-Unit SLO Checklist (Attachment 3) is proposed which would outline all standards, requirements, and objective design guidelines listed in the City's Residential Design Guidelines for the proposed projects.

Two-unit small lot subdivision projects would be required to complete the checklist with the project application. Staff will verify the project and check the applicable development standards, and as long as all items comply with the requirements, the project can be approved without a public hearing. If a project does not meet all of the objective standards, the existing zoning code includes provisions for deviations including minor modifications, administrative adjustments, variances, and minor design review which would allow for specific deviations to the requirements on a case-by-case basis.

Fiscal Analysis:

Since 2014, the City has approved 77 Small Lot Ordinance (SLO) projects. Of these, 47 were two-unit SLO projects, which totals approximately 66 percent of all SLO applications. With the proposed transition to a ministerial review process for two-unit SLO subdivisions, staff anticipates a meaningful reduction in processing time and associated discretionary review tasks. As a result, the fees currently charged for SLO applications will need to be reevaluated by the City Council to ensure they align with the staff resources needed for the ministerial process.

For reference, the City's adopted Fee Schedule currently includes application fees for SLO projects consisting of a \$3,925.39 Tentative Parcel Map fee and, in most cases, an additional Design Review fee of \$3,925.39, for a typical total of \$7,850.78. For comparison, the ministerial Lot Line Adjustment fee (applied to Urban Lot Splits (SB 9 projects)) is \$1,549.49. This comparison highlights the need for the Council to reassess SLO-related fees to reflect the streamlined ministerial review process.

GENERAL PLAN CONFORMANCE

The proposed Zoning Code Amendment would continue to allow for high-quality SLO developments within Costa Mesa and encourage economic growth in the community by reducing barriers for two-unit projects in multiple-family residential zones. The implementation of ministerial zoning approval included in the code amendment provides support for housing development within the City and streamlines approval processes for building permits and entitlements. In addition, the modification of the development standards would bring the code into conformance with existing practice and other residential development standards.

The Housing Element includes various programs to remove governmental constraints related to housing production. It endorses implementing zoning and process changes to make sites available and realistic for housing. The proposed zoning code amendment allowing for ministerial approvals and provides objective standards thereby removing the discretionary barriers for two-unit projects in multi-family residential zones

The proposed ordinance is in conformance with the City's General Plan including:

- Policy LU-1.2 Balance economic gains from new development while preserving the character and densities of residential neighborhoods.
- Policy LU-1.3 Strongly encourage the development of residential uses and owner-occupied housing (single-family detached residences, condominiums, townhouses) where feasible to improve the balance between rental and ownership housing opportunities.
- HE Goal #2: Facilitate the creation and availability of housing for residents at all income levels and for those with special housing needs.

ENVIRONMENTAL DETERMINATION

The adoption of the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the common-sense exemption. This exemption is typically applied to procedural-only code amendments in which no increase in density is created, no new land uses are authorized, and no reasonably foreseeable physical change to the environment could occur. The proposed Ordinance fits squarely within this category. It establishes a ministerial review process and objective standards for two-unit residential developments on parcels already zoned for residential use, and it does not expand the range of permitted uses or increase allowable density beyond what is already established under the General Plan and existing zoning regulations. The Ordinance also does not authorize construction on any specific site or grant any development entitlement; rather, it simply streamlines the review process by removing discretionary hearings and clarifying procedural steps. Any future project would remain subject to ministerial

review and would be independently responsible for demonstrating eligibility for any applicable CEQA exemption. Because the Ordinance is limited to procedural changes and has no potential to result in a reasonably foreseeable physical impact on the environment, it is exempt under CEQA Guidelines Section 15061(b)(3).

ALTERNATIVES

The Planning Commission has the following alternatives:

1. **Recommend City Council approval with modifications.** The Planning Commission may recommend approval with modifications to the amended Code sections or removal of items from the Zoning Code Amendment provided that the revisions are consistent with State law.
2. **Recommend that the City Council not adopt the revisions to the City's Zoning Code.** The Planning Commission may recommend that the City Council not adopt the proposed Zoning Code amendments.
3. **Continue the Ordinance review to a date certain.** The Planning Commission may continue the item to a date certain with direction for staff to return with additional information, changes and/or clarifications for Planning Commission consideration.

NOTICE

Pursuant to government Code Section 65854(a), a 1/8th page public notice was published once in the Daily Pilot newspaper on November 15, 2025 no less than 20 days prior to the December 8, 2025, public hearing.

CONCLUSION

The proposed Zoning Code Amendment would allow for ministerial approval of two-unit SLO projects and clarify development standards based on past practices and previously approved projects. The revisions do not increase allowable density in multi-family zones, or alter minimum parking requirements. The amendment is consistent with the General Plan and State law, and is intended to remove barriers and streamline the review process while minimizing potential impacts on neighboring properties.

ATTACHMENTS

1. Draft Resolution
 - a. Exhibit A - Draft Ordinance (with redlines and strikeout formatting)
2. Draft Two Unit Small Lot Ordinance Checklist