



City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

Item #: 25-613

Meeting Date: 1/20/2026

TITLE: INTRODUCTION AND FIRST READING BY TITLE ONLY OF AN ORDINANCE AMENDING TITLE 13 OF THE COSTA MESA MUNICIPAL CODE TO ALLOW FOR MINISTERIAL APPROVAL OF TWO-UNIT SMALL LOT ORDINANCE PROJECTS (PCTY-25-0007) AND ADOPTION OF ASSOCIATED FEES

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, SENIOR PLANNER

CONTACT INFORMATION: CHRIS YEAGER, SENIOR PLANNER, (714) 754-4883

RECOMMENDATION:

1. Find that the project is Exempt from the California Environmental Quality Act (CEQA), Section 15061(b)(3) ("General Rule") based on the findings and conclusions in the staff report.
2. The Planning Commission recommends the City Council adopt the revisions to Title 13 of the Costa Mesa Municipal Code (Zoning Code) to allow for ministerial approval of two-unit Small Lot Ordinance (SLO) projects. Therefore, staff recommends the City Council introduce for first reading, by title only, Ordinance No. 2026-XX approving Code Amendment PCTY-25-0007, amending the Zoning Code sections pertaining to two-unit SLO projects; and
3. Staff recommends the City Council adopt a resolution establishing a fee for two-unit ministerial SLO projects and reaffirming the same fee for Urban Lot Split projects.

BACKGROUND:

Small Lot Subdivision Ordinance History

On April 1, 2014, the City adopted the first SLO (Ord. 14-04) in Orange County, which allows the subdivision of multi-family zoned lots into small, fee-simple parcels. The SLO applies to residential subdivisions of two to fifteen (2-15) units within the City's multi-family zones, which include: the Multiple-Family Residential District, Medium Density (R2-MD), the Multiple-Family Residential District, High Density (R2-HD), and the Multiple-Family Residential Districts (R3). 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 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).

Since 2014, the SLO has been amended by the Council on three occasions. Below is a summary 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.

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

Purpose of Proposed Code Amendment

In October 2025, during a public hearing for an appeal of Planning Commission's approval of a two-unit small-lot subdivision, City Councilmembers requested that staff explore ways to streamline application processing for two-unit small-lot subdivisions, as these were allowed in other locations ministerially.

With the adoption of the SB 9 local ordinance, two-lot subdivisions are permitted ministerially on all R1 properties in the City. However, the Zoning Code does not currently allow for the same ministerial processing of two lot subdivisions in multi-family residential zones, where multi-family developments are more likely to already exist. 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 already 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 multi-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, reduce barriers to housing development, further increase opportunities for home ownership, and to 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.

Planning Commission Hearing

On December 8, 2025, the Planning Commission reviewed the proposed Code Amendment. The Planning Commission supported the ordinance and voted 5-2 (Vice Chair Zich and Commissioner Dickson dissenting) to recommend that the City Council adopt the proposed ordinance. Agenda details for the meeting are found in the following link:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7773714&GUID=CA876B52-3B66-4948-8923-756C5F19C165>

In making the recommendation, the commissioners proposed a minor clerical amendment to Table 13-29(c) and expressed support for streamlining the process through ministerial approval. The Commission also requested that the City Council consider reducing fees for two-unit ministerial subdivisions to lessen the financial burden on these types of projects. Commissioners who dissented noted that they could not support the recommendation because ministerial approval would eliminate public notice to neighboring properties and remove opportunities for public input on proposed projects.

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 revisions. 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, proposed to be amended, exempts two-unit SLO projects from the design review requirements and allows 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 Checklist

The ordinance introduces that ministerial approval of a project can be obtained when it meets objective standards. To ensure objectivity and 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 SLO 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.

Fee Reductions for Creation of Housing

Since 2014, the City has approved 78 SLO projects. Of these, 48 were two-unit SLO projects, which total approximately 62 percent of all SLO applications.

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. With the proposed transition to a ministerial review process for two-unit SLO subdivisions, property owners would experience a meaningful reduction in processing times and fees for two-unit small lot development projects.

Proposed Reduced Fee

Staff proposes a fee resolution to formally adopt a fee for two-unit small lot subdivision ordinance. Based on the actual time spent on the review, the base fee would be \$2,800. Furthermore, the City did not formally adopt a fee for Urban Lot Splits (Senate Bill 9 projects) when the SB 9 Ordinance was adopted in 2024. As such, staff proposes to incorporate this administrative cleanup item as part of the attached resolution as well.

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 allows 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 City Council has the following alternatives:

- 1) **Introduce and give first reading with modifications; adopt fee resolution.** The City Council may recommend approval with modifications provided that the revisions are consistent with State law.
- 2) **Not adopt the changes to the City's Zoning Code; do not adopt fee resolution.** The City Council may choose to not adopt the proposed Code amendments.

3) Continue the Ordinance review to a date certain; do not adopt fee resolution. The City Council may continue the item to a date certain with direction for staff to return with additional information, changes and/or clarifications.

FISCAL REVIEW:

All City user fees are intended to recover the costs of staff time associated with application processing. The City may charge fees solely for purposes of cost recovery. With Council's approval to transition the two-unit small-lot subdivision ordinances to ministerial processing, staff time required for application processing will be reduced. As result, the proposed fee will achieve full cost recovery.

LEGAL REVIEW:

The proposed Resolution, draft Code Amendment and report have been prepared in conjunction with and review by the City Attorney's Office

PUBLIC NOTICE:

Pursuant to Government Code Section 65854(a), a public notice was published once in the Daily Pilot newspaper on January 9, 2026 exceeding the minimum 10 days prior to the January 20, 2026, public hearing.

Any public comments received for the January 20, 2026 City Council meeting, may be viewed at this link: [CITY OF COSTA MESA - Calendar \(legistar.com\)](http://CITY OF COSTA MESA - Calendar (legistar.com))

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Diversify, Stabilize and Increase Housing to Reflect Community Needs

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.