



CITY COUNCIL STAFF REPORT

MEETING DATE: **October 23, 2023**

ITEM TITLE: **Consideration of Introducing an Ordinance Amending San Carlos
Municipal Code Title 18 - Zoning to Create Objective Design
Standards for Single-Family Development.**

RECOMMENDATION:

The Planning and Transportation Commission (PTC) recommends that the City Council introduce an Ordinance to create objective design standards for single-family development by amending the San Carlos Municipal Code Title 18 - Zoning: Chapter 18.03 - Rules of Measurement; 18.04 - Residential Districts; 18.12 - Hillside Overlay District; 18.15 - General Site Regulations; 18.20 - Parking and Loading, 18.26 - Planning Authorities; 18.27 - Common Procedures; 18.29 - Design Review; 18.40 - Use Classification; and 18.41 - Terms and Definitions; and adding a new Subsection: 18.23.310 - Urban Infill Units, Under 18.23 - Standards for Specific Uses and Activities.

FISCAL IMPLICATIONS:

There is no fiscal impact, and no additional appropriation is needed at this time.

This initiative is being managed by Community Development Department staff with consulting support from MIG. The City Council allocated the funds for MIG's consulting services in February 2022, for an amount not to exceed \$305,095. MIG's services include developing objective design standards for residential development, including single-family development and mixed-use/multifamily development.

SUMMARY:

Establishing objective design standards for residential development is essential to ensure orderly and streamlined development, compliance with state law requirements, and to meet the 2023-2031 Regional Housing Needs Allocation (RHNA) of 2,735 new housing units.

Currently, the City utilizes a combination of objective and subjective design standards to review single-family development projects. The process involves City staff, the Residential Design Review Committee (RDRC), the PTC, and occasionally, the City Council. City staff has received feedback that this process is time consuming, expensive, and burdensome for applicants.

If the proposed zoning amendments are adopted, single-family development projects would be required to comply with objective design standards for single-family development, as set forth in Title 18 of the San Carlos Municipal Code and applicable state law.

BACKGROUND:

Why is the City Developing Objective Design Standards?

On January 23, 2023, the City Council adopted the 2023-2031 Housing Element as a part of the Focused General Plan Update. The updated Housing Element aims to accommodate additional residential units and remove obstacles to creating housing. Action HOU 4.4 identifies the need for the creation and adoption of objective design standards for residential development. This also aligns with new state law that requires cities to create objective design standards that apply to projects with two or more residential units.

In 2021, the City Council directed staff to prepare objective design standards for all residential development, including single-family homes, in order to:

- Comply with state law.
- Implement policies of the San Carlos 2030 General Plan and Housing Element and help meet the Regional Housing Needs Allocation (RHNA).
- Prevent additional governmental constraints on the production of housing.
- Create standards that are verifiable and measurable.
- Streamline project review and permitting.
- Ensure consistent application of standards for single-family homes, with and without accessory dwelling units (ADUs).

Staff anticipates future state legislation may require objective design standards for all types of housing projects including single-unit development. Thus, having these standards in effect prior to the passage of any such law would benefit the City.

Objective Design Standards Process

City staff divided the objective design standards development process into two phases.

- **Phase 1: Objective Design Standards for Single-Family Development.** From March 2022 to August 2023, City staff and the consultant team focused only on the creation of objective design standards for single-family development. "Single-family development" includes single-family homes, junior accessory dwelling units (JADUs), ADUs, attached or detached duplexes, and urban infill units (also known as SB-9 units). These standards are before the Council for consideration this evening.
- **Phase 2: Objective Design Standards for Mixed-Use and Multi-Family Development.** The objective design standards for mixed-use and multifamily developments will establish clear criteria for landscaping, transitional guidelines, massing, and articulation. This will streamline the project review process for multi-family and mixed-use development and potentially accelerate the creation of housing units. Staff anticipates presenting the draft standards to the City Council in early 2024.

Planning and Transportation Commission Recommendation

On June 19, 2023, City staff and the consultant team presented the draft objective design standards for single-family development to the PTC.¹ The PTC passed a Resolution recommending that the City Council adopt the proposed objective design standards, with three recommendations. Please refer to Attachment 2 for the Resolution adopted by the PTC.

The PTC's recommendations regarded: 1) zero lot line development, 2) flag lots for urban infill units, and 3) compliance review procedures. Additional details are provided below.

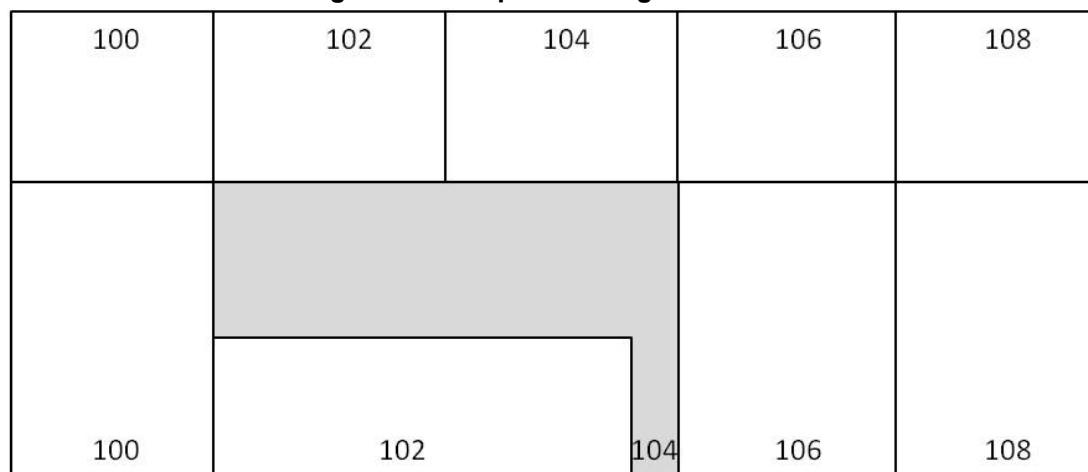
1. Zero Lot Line Development: The PTC recommended that staff investigate the feasibility of allowing zero lot line development, meaning allowing development at the lot line with no setbacks, for small lot subdivision projects and urban infill units (SB-9 Units) subdivisions. The consultant team conducted an analysis of the considerations for allowing zero lot line development (see Attachment 5).

Staff Recommendation: Further study is needed. The introduction of zero lot lines would significantly impact the overall fabric and configuration of buildings in San Carlos and is a major policy decision. Therefore, staff believes it is crucial to research this further before presenting a policy recommendation to the City Council.

Should the City Council choose to move forward with the PTC's recommendation regarding zero lot lines, the Council may direct staff to reintroduce the proposal as a future initiative.

2. Flag Lots for Urban Infill Units: The PTC recommended that staff explore the feasibility of allowing flag lots throughout San Carlos to accommodate additional urban infill units (SB-9 units). A "flag lot" allows access to the street via a narrow driveway, or "flag pole" (see Figure 1).

Figure 1: Example of a Flag Lot



Staff Recommendation: Further study is needed. Staff acknowledges that permitting flag lots throughout San Carlos could potentially create more opportunities for urban infill

¹ The staff report, meeting video, and meeting minutes for the June 19, 2023 PTC can be found here: <https://cityofsancarlos.primegov.com/Portal/Meeting?meetingTemplateId=13215>

units. However, such a decision could also bring about significant changes to the overall city development patterns. Presently, flag lots are only allowed for specific exceptional cases as stipulated in the San Carlos Municipal Code Section 17.16.040. Internal discussion and consultation with other departments such as Public Works would be necessary to better understand any infrastructure implications. Therefore, staff believes that allowing flag lots by right would necessitate further research and analysis.

Should the City Council choose to study the PTC's recommendation regarding flag lots, the Council may direct staff to reintroduce further research on citywide flag lots as an independent project in the coming year, complete with comprehensive research and analysis.

3. Compliance Review Procedures: The PTC recommended that staff provide additional details about the new compliance review process, which is intended to replace the RDRC process.

Staff Analysis: Additional details about the proposed compliance review process can be found in the "Analysis" section below.

ANALYSIS:

City staff and the consultant team have prepared draft objective design standards for single-family development for the City Council's review and consideration. The draft Objective Design Standards are based on:

- Input received throughout the community engagement process (see Attachment 3, Community Outreach Summary and Meeting Minutes).
- knowledge of the unique design character and housing styles in San Carlos.
- An understanding of what works well in creating objective design standards.

The objective design standards process has been guided by the following key principles:

1. Streamline the housing construction and review process while adhering to state law and underlying development standards.
2. Preserve the overall character of the neighborhoods by implementing good design principles in line with the "Objective Standards" guidelines mandated by the state law.
3. Prepare design standards that are clear, objective, and free from subjectivity for all single-family development use types.

The draft objective design standards for single-family development includes zoning amendments that span eleven chapters in the San Carlos Municipal Code. Table 1 provides an overview of the amendments in each chapter. For specific details, refer to Attachment 1 which shows the amendments in strikethrough format.

Table 1. Summary of Proposed Amendments

San Carlos Municipal Code Chapters		Summary of Proposed Amendments
1	18.03 (Rules of Measurement)	Clarifying the rule of overall height measurement.
2	18.04 (Residential Districts)	Making existing design standards objective, adding objective design standards for duplexes, and amending the use table.
3	18.12 (Hillside Overlay District)	Clarifying the “Natural State” requirement, measuring height, and downhill facing façade step back.
4	18.15 (General Site Regulations)	Allowing porches to be closer to the sidewalk by amending the porch projection allowance dimension.
5	18.20 (Parking and Loading)	Modifying driveway parking requirement when proposing a one-car garage.
6	18.26 (Planning Authorities)	Striking roles and responsibilities of the Residential Design Review Committee.
7	18.27 (Common Procedures)	Amending roles and responsibilities.
8	18.29 (Design Review) <i>Details are below.</i>	Removing RDRC review requirement, introducing a new neighborhood notification process.
9	18.40 (Use Classification)	Modifying use classifications for single-family development, adding Urban Infill Units use type.
10	18.41 (Terms and Definitions)	Adding new definitions such as lower story wall, natural state, etc.
11	New Section: 18.23.310 (Standards of Specific Uses) <i>Details are below.</i>	Introducing a new section dedicated to Urban Infill Units (SB-9 units).

If the City Council introduces the Ordinance as proposed, this would mean:

- All single-family development projects would be required to be consistent with the objective design standards;
- The current RDRC process would be substituted with the compliance review process; and
- Only single-family projects that necessitate deviation or exception from the objective design standards would be subject to discretionary design review procedures. This would include discretionary review by the PTC, as elaborated in Chapter 18.29.

Additional details are provided below.

Proposed Changes to SCMC Section 18.29 - Design Review

Currently, SCMC Section 18.29 - Design Review outlines the scope, threshold, review criteria, and required findings for single-family development requiring design review by the RDRC. As a part of the objective design standards, discretionary design review for single-family development by the RDRC is proposed to be discontinued.

This section provides more information about the current RDRC process and why the RDRC is proposed for discontinuation.

What projects are currently reviewed by the RDRC?

Currently, the RDRC reviews all projects that meet the following thresholds:

- All new homes.
- For lots less than 7,500 square feet, additions that create a total of 3,000 square feet of floor area or more.
- If a project results in the destruction and removal of fifty percent or more of the enclosing exterior walls.
- When the Community Development Director, in their opinion, determines that public interest would better be served by referral to the RDRC.

Staff-level review is conducted for any projects below these thresholds.

Time and Financial Costs of the Current RDRC Process

City staff received feedback that the RDRC process is time-consuming, expensive, and burdensome for applicants. Table 3 shows the time and financial costs of a staff-level review versus a RDRC-level review.

If adopted, the objective design standards for single-family development will provide more clarity to applicants and the community. The standards will also limit discretion when reviewing applications for single-family residential projects, potentially making the review process more efficient and less time consuming.

Table 3. Staff-Level Review versus RDRC Review

Who is the final reviewer?	How long is the typical review period?	What is the cost to the applicant? ²
City staff	100 days	\$3,143 (First floor addition) \$4,713 (Second floor addition)
Residential Design Review Committee	200 days	\$7,856 (First floor addition) \$10,999 (New construction, or Second floor addition)

The RDRC is proposed to be discontinued for the following reasons:

- The state-required objective design standards prohibit discretion in evaluating design. The RDRC cannot require changes to design that meet the objective standards.
- Maintaining the RDRC may give community members an inaccurate understanding of the changes that can be required by the City and the RDRC.

² User Fees, FY 2023-2024. City of San Carlos website:

https://www.cityofsancarlos.org/city_hall/departments_and_divisions/administrative_services/finance/city_fees_and_cost_of_services/index.php#outer-125

- The RDRC currently has limited ability to change projects, including changes that would reduce the size of the residence.
- Maintaining the RDRC will elongate the process for review and approval of single-family residential projects.
- Maintaining the RDRC will impose an unnecessary financial burden on applicants.

Proposed “Compliance Review” Process

If the RDRC is discontinued, then single-family development projects would be reviewed by staff under the new compliance review procedures.

For single-family projects that seek exceptions or deviations to the objective design standards, the PTC will conduct the discretionary design review. The PTC’s review will be based on the existing criteria and findings specified in Chapter 18.29 - Design Review of the San Carlos Municipal Code.

Proposed “Neighborhood Notification” Process

If the City Council supports discontinuation of the RDRC review process, a new neighborhood notification process for the compliance review would be implemented. This would be applicable to projects that meet the same thresholds that currently trigger RDRC review.

The neighborhood notification process would not be required for projects that are under these thresholds. The neighborhood notification process will involve the following steps:

- **Step 1: Pre-Application Meeting/Mail Notification**

Currently, for projects requiring RDRC review, the City recommends applicants to hold a pre-application meeting with neighbors *or* notify them by mail. This step would be maintained as a part of the proposed neighborhood notification process. However, a meeting would be *required*, and notification cannot happen *only* by mail.

The pre-application meeting would only be required for projects that must go through the neighborhood notification process, i.e., meet the thresholds. For projects below these thresholds, a pre-application meeting will not be required.

Prior to the pre-application meeting, applicants will be required to send mailed notifications to all property owners residing within a 300 feet radius of the subject property. These notifications will need to include details about the proposed project and extend invitations to attend the pre-application meeting for further information.

During this meeting, applicants will be expected to provide attendees with project details, offer opportunities for input, address concerns, and potentially incorporate suggestions into design revisions before formally submitting the application to the City.

This is a critical step in the process because it provides neighbors with the opportunity to provide input into the design before a formal application is submitted. The applicant is more likely to make changes to their design at this preliminary stage.

- **Step 2: Application Submittal**

As part of the formal planning application, the applicant will be obligated to include a copy of the neighborhood notice, meeting minutes, and sign-in sheet(s) from the pre-application meeting. Furthermore, the applicant will be required to outline any concerns that were raised during the pre-application meeting and explain how these concerns will be addressed, or if not, provide reasons for not addressing them.

- **Step 3: Neighborhood Notification and Public Comment Period**

After the applicant submits a formal planning application, the City will mail a notice of application to property owners within 300 feet of the site. This notice will include contact information of the assigned City planner and the project applicant. If a neighbor has a concern, they will be able to contact the City planner or the applicant within 14 calendar days from the notice of application is received. Additionally, the applicant will be required to post a yard sign on the project site when the notice of application is mailed. The sign will be required to remain posted until the project is approved.

- **Step 4: Project Approval**

After the 14 calendar days end, project applicant will need to provide comments received to the assigned City planner. If no comments are received, the project will be deemed approved. Applicants will then be able to apply for building permit(s).

If comments are received, the assigned City planner will review the comments to determine if the project meets the objective design standards and if any changes can legally be required in order to meet the standards. Once the applicant makes changes, as needed, the project will be deemed approved, and the applicant will be able to apply for building permit(s). Following Planning approval, City staff will update the project webpage to signify project approval.

Please refer to Attachment 6 summarizing the new neighborhood notification process.

How will the community be informed about the new compliance review procedures?

The proposed compliance review process would be a significant change for applicants and the San Carlos community. If the proposed compliance review process is approved, staff will prepare a "Neighborhood Notification Information Packet" which outlines the review thresholds, steps, and applicant requirements. This packet is referenced as part of proposed zoning amendments to Chapter 18.29 - Design Review and Objective Design Standards Compliance Review of the San Carlos Municipal Code. (Attachment 1)

Staff would conduct extensive education and outreach initiatives to share more information about the new process. This can include:

- Information posted on the City's website.

- Information in City newsletters, such as the City Council newsletter, the Good Living Newsletter, and the ACC newsletter.
- A letter mailed to all property owners.
- Information at the Farmers' Market booth.
- Social media outreach.
- List of frequently asked questions (FAQs) posted on the City's website.
- Other outreach efforts.

Evaluation

If the new compliance review process is adopted, City staff will return to the City Council in six months and again at one year after the adoption date to provide the City Council with an evaluation of the process and any recommended changes. These revisions could involve clarifying specific code sections, adding definitions, or introducing criteria to facilitate the interpretation and implementation of the review processes.

Proposed New Section 18.23.310 Standards of Specific Uses (Urban Infill Units)

The proposed new Section 18.23.310 incorporates permanent standards for urban infill units (SB-9 Units). Currently, the City has an Urgency Ordinance in effect with objective standards for urban infill units, which expires in December 2023.

On June 7, 2023, the PTC³ held a Study Session on urban infill units (SB-9 Units). The PTC recommends the following changes to the Urgency Ordinance text.

Topic 1: Urban Infill Unit Size

- **PTC Recommendation:** No specific floor area limit on urban infill units; instead, the units be allowed up to the maximum allowable floor area (MFA), which applies only in RS-6 Zoning Districts.

The Commission discussed creating a limit for the RS-3 Zoning District; however, these are larger lots and have a stricter lot coverage limit than lots in the RS-6 Zoning District.

The lot coverage maximum for RS-3 lots is 35% (unless located within the Hillside Overlay District which has a lot coverage of 25%). The lot coverage maximum for RS-6 lots is 50%. The stricter limits in the RS-3 Zoning District will help to regulate unit size.

- **The proposed Ordinance** allows urban infill units to utilize maximum floor area in the RS-6 Zoning Districts, and no floor area limit for RS-3 Zoning Districts.

Topic 2: Basements

³ The staff report, meeting video, and meeting minutes for the June 7, 2023 PTC Commission can be found here: <https://cityofsancarlos.primegov.com/Portal/Meeting?meetingTemplateId=13209>

- **PTC Recommendation**: Remove the prohibition on basements for urban infill units.
- **The proposed Ordinance** removes the prohibition on basements.

Topic 3: Unit Type

- **PTC Recommendation**: Continue to allow a maximum of two units on each subdivided parcel that utilizes SB-9 provisions; however, allow any configuration of those types of units. This would result in one of the following outcomes:
 - A primary dwelling unit and an urban infill unit.
 - Two urban infill units.
 - A primary dwelling unit and an ADU.
 - A primary dwelling unit and a JADU.
- **The proposed Ordinance** allows maximum two units in any of the above configurations on each subdivided lot.

Public Notice and Public Comment

This City Council meeting was noticed per state law on October 13, 2023, published in the *San Mateo Daily Journal* on October 12, 2023, and advertised through various mediums (social media, website, and email lists).

Staff has received several public comments on topics related to this item including:

- The discontinuation of the Residential Design Review Committee,
- Overall house sizes in San Carlos, and
- The recommendation to introduce daylight plane standards – *City staff does not recommend including daylight plane standards; additional information provided below.*

All comments received, as of October 18, 2023, are included in Attachment 4.

Background on Daylight Plane Standards

In 2017⁴, a comprehensive analysis of house sizes was undertaken in San Carlos, and at that time, the City Council considered daylight plane standards. During that process, the Council chose not to adopt daylight plane standards to control building massing and design articulation. The rationale behind this decision stemmed from concerns that daylight planes impose a rigid framework that confines building designs, potentially yielding standard "wedding cake" building configurations. The adoption of daylight plane standards curtails architectural flexibility and imposes predetermined forms on massing.

Furthermore, in response to public comments received for the objective design standards project in 2023, staff conducted research on peer cities that mandate daylight plane regulations.

⁴ More information on the 2017 house size study can be found using this link: [San Carlos 2017 House Size Study, CA \(cityofsancarlos.org\)](https://www.cityofsancarlos.org/research/2017-house-size-study)

Interestingly, most cities do not impose a second-story setback requirement, in contrast to San Carlos, where the second story is required to have a 9'-0" setback. This, in effect, achieves a similar outcome to what a daylight plane standard would achieve.

Although daylight plane standards establish a basic zone for sunlight penetration to the ground, the quality and timing of sunlight are significantly influenced by various factors such as lot orientation, landscaping, and neighboring structures. It is important to note that daylight planes lack universality, as these standards cannot universally address all contexts. Furthermore, relying solely on minimum side yard requirements does not necessarily guarantee a satisfactory level of sunlight exposure for adjacent properties at the ground level. Consequently, staff holds the opinion that incorporating a daylight plane standard would not necessarily result in aesthetically pleasing designs. Due to this, staff recommends that the Council does not adopt a daylight plane standard to regulate height, massing, light, and privacy.

ENVIRONMENTAL DETERMINATION:

The zoning amendments proposed in the draft Ordinance are within the scope of activities identified in the San Carlos 2030 General Plan Program Environmental Impact Report (EIR) and 2023 Housing Element Environmental Impact Report; therefore, no additional environmental review is required pursuant to Public Resources Code Section 21166 and California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(2) "Preliminary Review" and Section 15061(b)(3) "Common Sense Exemption." In addition, Government Code Sections 65852.21(j) and 66411.7(n) conclude that an Ordinance adopted to implement Senate Bill 9 (SB-9) is not a project under CEQA.

NEXT STEPS:

Should the City Council introduce the Ordinance this evening, the proposed Ordinance would return for formal adoption on November 13, 2023. If adopted, the proposed amendments would become effective 30 days after adoption. At that point, the current SB-9 Urgency Ordinance will become null and void.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Introduce an Ordinance amending San Carlos Municipal Code Title 18 - Zoning: Chapter 18.03 - Rules of Measurement; 18.04 - Residential Districts; 18.12 - Hillside Overlay District; 18.15 - General Site Regulations; 18.20 - Parking and Loading, 18.26 - Planning Authorities; 18.27 - Common Procedures; 18.29 - Design Review; 18.40 - Use Classification; and 18.41 - Terms and Definitions; and adding a new Subsection: 18.23.310 - Urban Infill Units, Under 18.23 - Standards for Specific Uses and Activities; or
2. Do not introduce the proposed Ordinance; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:

A handwritten signature in black ink, appearing to read 'J. Maltbie', is positioned above a horizontal line.

Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Proposed Ordinance
Exhibit A to Ordinance – Proposed Amendments to Title 18
2. Planning and Transportation Commission Resolution PTC 2023-16
3. Community Outreach Summary and Meeting Minutes
4. Public Comments, as of October 18, 2023
5. Zero Lot Line Analysis
6. Summary of “Neighborhood Notification” Process
7. Public Hearing Notice