

Overview

A small lot subdivision ordinance increases the number of residential lots by allowing existing residential lots to be subdivided into smaller lots. It provides an alternative to traditional single-family subdivisions by revising development standards to allow single-family homes to be constructed on lots that are smaller than typically permitted in a zoning designation. Revised development standards could include reduced minimum lot sizes, reduced setbacks, greater building heights, or reduced parking. Unlike a typical townhome or condominium development, small lot subdivision homes are constructed on fee-simple lots and homeowners acquire ownership of the housing structure and the land on which it is built. The ordinance could apply to single-family residential zones and/or multi-family zones and lots must conform with the densities specified in the General Plan.

Benefits

A small lot subdivision ordinance increases homeownership opportunities while working within existing zoning designations and General Plan densities. Although small lot developments do not technically increase zoning density, they are usually built on underutilized lots, thereby increasing the number of available housing units. Smaller lot sizes reduce the land costs associated with development, and the savings in land costs can be passed on to the homebuyer. This provides additional opportunity for “missing middle” housing in the form of smaller single-family detached homes instead of townhomes or condominiums. Adoption of a small lot subdivision ordinance would satisfy Program HE-EJ-7-3 of the 2021-2029 Housing Element - Housing on Small and Infill Lots.

CEQA

Adoption of a small lot subdivision ordinance would not be subject to environmental review pursuant to Sections 15060(c)(2), 15060(c)(3) and 15061(b)(3) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA). It would not result in a direct or reasonably foreseeable indirect physical change in the environment, there is no possibility that it may have a significant effect on the environment, and it is not a "project," as that term is defined in Section 15378 of the State CEQA Guidelines.

Example Small Lot Subdivision Ordinances

Several jurisdictions have some version of a small lot subdivision ordinance. One of the best examples is the City of Los Angeles, which adopted its ordinance in 2005. The Los Angeles ordinance created incentives for infill residential development in areas zoned for multi-family and commercial uses. Lots must be at least 600 square feet in area; density, height, and front yard setbacks are regulated by the underlying zone; rear yard setbacks are 10 feet when abutting a multi-family or commercial zone and 15 feet when abutting a single-family zone; side yard setbacks are 5 feet when abutting a multi-family or commercial zone and per the underlying zone when abutting a single-family zone. Los Angeles requires open space and other amenities for small lot subdivisions consisting of 20 or more units and guest parking for projects with 8 or more units.

The City of Orange adopted its ordinance in 2021 and is applicable to multi-family and mixed use zones. Density is regulated by the underlying zone; lots must have a minimum frontage of 25 feet and minimum depth of 50 feet; no setbacks are required for interior lot lines created within a small lot subdivision, but front yard setbacks are per the underlying zone for the front perimeter of the subdivision, side yard setbacks are 5 feet for the perimeter of the subdivision, and rear setbacks are 10 feet for the perimeter of the subdivision. Each unit is required to provide 150 square feet of private open space and 2 parking spaces plus 0.25 guest parking spaces.

The City of Rosemead adopted its ordinance in 2021 and is applicable to the multi-family zone. Projects must be consistent with the underlying zone density. Sites eligible for small lot subdivisions must be at least 10,000 square feet in area and the resulting subdivided parcels must measure at least 1,500 square feet in area. Maximum height is 35 feet and 3 stories. There are no interior setbacks required, but the site perimeter must have a 15-foot front setback, 10- to 15-foot side setback, and 15-foot rear setback. Each unit is required to provide 150 square feet of private open space and 2 enclosed parking spaces, plus 1 guest parking space per two dwelling units.

The City of San Diego adopted its ordinance in 2015 and is applicable to multi-family zones. Projects must be consistent with the density and floor area ratio of the underlying zones. Small lot dwelling units may have a maximum of three bedrooms. There are no setback requirements for internal lot lines, while perimeter setbacks must adhere to the underlying zone. Each unit is required to provide 200 square feet of open space.

Existing City of Riverside Infill Housing Programs

Four existing or proposed programs encourage infill housing development in the City of Riverside. The applicable zones for each program are shown in Table 1 and details of each program are provided below.

Table 1: Infill Housing Program Applicability by Zone

Infill Program	Single-Family Zones				Multi-Family Zones	
	RC	RR	RE	R-1	R-3	R-4
Two-Unit Development and Urban Lot Split	x	x	x	x		
Planned Residential Development	x	x	x	x		
Infill Development on Undersized Lots	x	x	x	x	x	x
Senate Bill 684					x	x

Two-Unit Development and Urban Lot Splits

Two-Unit Development (Chapter 19.443) and Urban Lot Splits (Chapter 18.085) establish standards to ensure compliance with California Government Code Sections 65852.21 and 66411.7, otherwise known as Senate Bill 9. Chapters 19.443 and 18.085 are applicable in the City’s single-family zones (R-1, RE, RR, RC, DSP-RES, or NSP-MDR). Two-unit developments pursuant to the requirements of Chapter 19.443 on an undivided lot can have a maximum of two primary dwelling units (attached or detached) and no more than three total dwelling units, inclusive of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). Parcels created through an urban lot split pursuant to Chapter 18.085 must be approximately equal in parcel area. In no instance shall a parcel be smaller than 40 percent of the lot area of the original parcel proposed for subdivision, or smaller than 1,200 square feet, whichever is greater. A maximum of two dwelling units of any kind (primary dwelling, ADU, or JADU) may be constructed on a lot established through an urban lot split. In total, each new parcel resulting from a Chapter 18.085 subdivision can have two dwelling units, for a maximum of four dwelling units on both lots.

Planned Residential Development

Planned Residential Development (PRD) (Chapter 19.780) regulations allow for flexibility and creativity in design of single-family residential developments, and for the application of unique development standards that reflect special property conditions. PRD enables the development of small-lot infill

subdivisions in existing single-family neighborhoods, thereby allowing a more efficient and creative use of land when the proposed development is designed in a manner that is compatible with all existing development in the vicinity. PRD encourages more creative and imaginative project design by allowing increased development densities. In return, PRDs are required to incorporate open space, amenities for recreational and visual enjoyment, and superior design features. Table 2 demonstrates the increased densities that can be achieved on lots of various sizes in the R-1-7000 zone with bonus PRD density.

Table 2: Allowable Units in R-1-7000 PRD (existing)

Lot Size (sq. ft.)	Standard Density (6.2 du/ac)	Benchmark Density (7.3 du/ac)	Maximum Density (8.0 du/ac)
5,000	0.71	0.84	0.92
10,000	1.42	1.68	1.84
20,000	2.85	3.35	3.67
30,000	4.27	5.03	5.51
43,560 (1ac)	6.20	7.30	8.00
87,120 (2ac)	12.40	14.60	16.00
130,680 (3ac)	18.60	21.90	24.00
174,240 (4ac)	24.80	29.20	32.00
217,800 (5ac)	31.00	36.50	40.00

Infill Development on Undersized Lots Ordinance (Proposed)

The proposed Infill Development on Undersized Lots Ordinance (Chapter 19.100) would establish regulations to allow residential development on existing undersized lots in the R-1, R-3, and R-4 zones. The intent is to encourage the development and redevelopment of substandard infill properties that cannot be reasonably developed using currently adopted zoning and subdivision standards. Revised regulations include reduced setbacks, increased height, revisions to parking standards, and reductions in open space requirements to make it easier to develop undersized parcels without a variance.

Senate Bill 684 (Proposed)

Senate Bill 684 would require ministerial approval of a subdivision and housing development project that results in 10 or fewer parcels and 10 or fewer residential units. The project must be located on a lot zoned for multifamily residential development that is no larger than 5 acres and is substantially surrounded by qualified urban uses. If the parcel is identified in the housing element, the development must result in at least as many units and at least as many low- or very low-income units projected for that parcel as identified in the housing element. If the parcel is not identified in the housing element, the development must result in at least as many units as the maximum allowable residential density for the parcel. The parcels created through SB 684 must be fee simple ownership lots, part of a common interest development, part of a housing cooperative, or owned by a community land trust. Lots cannot be smaller than 600 square feet and the average total habitable area for the proposed housing units cannot exceed 1,750 square feet. Jurisdictions are not required to permit ADUs or JADUs on parcels created through SB 684.

SB 684 would exempt housing development projects from certain requirements relating to minimum parcel size and dimensions and the formation of a homeowners' association, except for common interest developments. Jurisdictions can impose objective zoning standards, objective subdivision standards, or

objective design standards that are related to a housing development or to the design or improvement of a parcel. Jurisdictions must approve or deny an application within 60 days from the receipt of the completed application. As of the writing of this memorandum, Senate Bill 684 passed both Houses of the Legislature and is pending delivery to the Governor. Should the Governor sign SB 684 into law, it will go into effect on July 1, 2024.

Deficiencies in Existing Programs

The existing and proposed infill housing programs described above provide mechanisms to increase housing in single-family zones on a single parcel scale (Two-Unit Development and Urban Lot Splits) and neighborhood scale (Planned Residential Development); create additional homeownership opportunities in multiple-family zones (SB 684); and reduce barriers to housing development on existing undersized parcels in single-family and multiple-family zones (Infill Development on Undersized Lots Ordinance). Additional infill housing opportunities could come from a program to address oversized parcels in single-family zones and a program to allow subdivisions with greater than 10 parcels and 10 residential units in multiple-family zones.

In all single-family zones, existing parcels can be subdivided into two new lots with an SB 9 Urban Lot Split. The resulting parcels can then be developed with a maximum of four units between the two parcels. Oversized single-family parcels can also be subdivided in conformance with Title 18 of the Riverside Municipal Code. Corridor access lots may be approved where there is no reasonable alternative available to develop the interior portions of excessively deep parcels or where required by unusual physical constraints, subject to the approval of a Modification. However, the corridor must have a minimum width of 20 feet and the corridor area does not count in computing lot area. These constraints limit the ability to develop certain oversized lots. Oversized parcels can also be subdivided and developed as a Planned Residential Development; however, many parcels are not large enough or would not yield enough new density to justify the requirements of the PRD process.

SB 684 requires projects to be built to a zone’s maximum density but limits projects to a total of 10 units. In practice, this limits SB 684’s applicability to smaller sized parcels in the multiple-family zones, as shown in the highlighted cells below:

Table 3: SB 684 Eligibility

Lot Size (sq. ft.)	Number of Units based on Zone Density and Lot Size					
	R-3-4000	R-3-3000	R-3-2500	R-3-2000	R-3-1500	R-4
5,000	1.25	1.66	2.00	2.50	3.33	4.59
10,000	2.50	3.33	3.99	5.00	6.66	9.18
15,000	3.75	4.99	5.99	7.51	9.99	13.77
20,000	5.00	6.66	7.99	10.01	13.31	18.37
25,000	6.26	8.32	9.99	12.51	16.64	22.96
30,000	7.51	9.99	11.98	15.01	19.97	27.55
40,000	10.01	13.31	15.98	20.02	26.63	36.73

SB 684 Eligible Lots are highlighted in yellow (max. project size 10 units)

Small Lot Subdivision Ordinance Applicability

A small lot subdivision ordinance could create additional housing opportunities by filling in the gaps of the existing infill housing programs. For all options discussed below, compatibility with adjacent properties will be key to minimize impacts to neighbors. Care also must be taken to ensure the program does not inadvertently encourage the demolition of existing multi-family housing to be replaced with lower density single-family housing.

Option 1 – Streamlined PRD

The existing Chapter 19.780 includes standards for Planned Residential Developments (PRDs) in the RR, RE and R-1 zones. Current PRD standards include reduced lot sizes, increased max lot coverage, reduced setbacks, defined open space requirements and parking requirements. These relaxed standards, coupled with the Planned Residential Development program's ability to increase housing densities, improve a project's economic feasibility. **Option 1** would expand upon the existing smaller lot standards in Chapter 19.780 to include a streamlined process for PRDs that contain, perhaps, 15 or fewer parcels/units. An administrative process could be developed for subdivisions with four or fewer parcels and simplified requirements and more flexible standards could be drafted for projects with fewer than 15 parcels/units. Streamlined PRDs would only be applicable in single-family zones, and could be tailored to specifically target residential properties large enough to support more homes but too small for a standard PRD. It is anticipated that this program would be most attractive for the development of very oversized parcels in single-family zones.

Considerations for this approach:

- Should small lot subdivisions apply to single-family zones or are the existing Two-Unit Development, Urban Lot Split, and PRD regulations sufficient?
- Should an administrative PRD process be created for projects with fewer than 4 lots?
- Should a streamlined PRD process be created for small projects?
 - If so, what should be the maximum project unit count to qualify for the streamlined process?
- Should small PRD projects receive a discount on fees?
- Should a new administrative PRD fee be added?
- Should small PRD projects receive the maximum density bonus shown in Table 2 without needing to satisfy the superior design criteria of 19.780.050.E?

Option 2 – Small Lot Subdivision in Multiple Family Zones

Should SB 684 become law, small lot subdivisions of 10 or fewer parcels/units will be allowed in all multi-family zones. Permitting small lot subdivisions in higher-density zones could result in fewer units if developers choose to build larger single-family homes instead of multi-family buildings, so SB 684 requires projects to be built to the maximum density of the zone. However, it is not always economically or physically feasible to build projects to the maximum allowable density. To address this, **Option 2** could consider an alternative to SB 684 that would allow small lot subdivisions for projects with more than 10 parcels/units, or that would allow projects that are built to less than the maximum density of the zone.

Considerations for this approach:

- Should a minimum density be required for small lot subdivisions in multifamily zones?
- Should small lot subdivisions be allowed for projects exceeding 10 parcels/units?
- Should there be a cap on the number of parcels/units allowed through a small lot subdivision?

- Should there be a limitation on the square footage or number of bedrooms for homes created through a small lot subdivision?

Implementation Questions and Other Considerations

- Should mixed use zones be included in a small lot subdivision ordinance? The Mixed Use Neighborhood zone allows for single-family homes, while the Mixed Use Village and Mixed Use Urban zones allow for multi-family homes.
- How should fractional calculations be rounded? Density bonus (Chapter 15.545) says each component of any density calculation resulting in fractional units, including base density and bonus density, shall be separately rounded up to the next whole number. Parking and loading (Chapter 19.580) also states calculations that result in fraction of a space shall be rounded to the nearest whole number.
- Small lot subdivision projects will require alternative development standards to ensure project viability.
 - Allow zero lot line?
 - Allow increased building height and/or stories?
 - Require increased setback from single-family zones?
 - Limit the number of bedrooms?
 - Limit the square footage of a small lot home?
 - Reduce parking requirements?

Example Small Lot Subdivision Developments



Figure 1 2775 Cahuenga, Los Angeles, CA



Figure 2 UPFOAST, Costa Mesa, CA



Figure 3 Covo, Los Angeles, CA



Figure 4 Morra Echo Park, Los Angeles, CA



Figure 5 Palmera, North Hollywood, CA



Figure 6 Vitae, Costa Mesa, CA



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Figure 7 Danielson Grove, Kirkland, WA



Figure 8 Chico Beach Cottages, Silverdale, WA



Figure 9 Ericksen Cottages, Bainbridge Island, WA



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Figure 10 Marti Rae Court, Alameda, CA



Figure 11 Thorn and 30th, San Diego, CA