

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: December 11, 2025

PREPARED BY: Bobby Keatinge, Associate Planner

SUBJECT: INTRODUCE AN ORDINANCE TO AMEND TITLE 25 OF THE PALM DESERT MUNICIPAL CODE PERTAINING TO TWO-UNIT PROJECTS AND TITLE 26 PERTAINING TO URBAN LOT SPLITS AND FINDING THE PROJECT IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW (CASE NO. ZOA25-0002)

RECOMMENDATION:

Introduce an Ordinance entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, AMENDING CHAPTER 25.34 (SPECIAL USE PROVISIONS) AND CHAPTER 26.30 (URBAN LOT SPLITS) OF THE CITY OF PALM DESERT MUNICIPAL CODE RELATING TO URBAN LOT SPLITS AND TWO-UNIT PROJECTS AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA”

BACKGROUND/ANALYSIS:

On September 16, 2021, Governor Newsom signed Senate Bill (SB) 9 into law, effective January 1, 2022, as part of the State’s efforts to address housing affordability and supply. SB 9 established two key provisions:

- **Two-Unit Projects** (Government Code § 65852.21), requiring ministerial approval of up to two primary dwelling units within a single-family residential zone when applications comply with statutory requirements.
- **Urban Lot Splits** (Government Code § 66411.7), requiring local agencies to ministerially approve a parcel map to subdivide one single-family lot into two legal parcels when state-mandated criteria are met.

On December 16, 2021, the City Council of Palm Desert adopted Urgency Ordinance No. 1373, amending Chapter 25.34 (Special Use Provisions) and adding Chapter 26.30 (Urban Lot Splits) to the Palm Desert Municipal Code (PDMC). This urgency ordinance was re-adopted on January 13, 2022.

On September 19, 2024, Governor Newsom signed SB 450 into law to strengthen and clarify the provisions of SB 9. Key provisions of SB 450 include:

- **60-Day Timelines:** Requires cities/counties to approve or deny complete SB 9 two-unit project and urban lot split applications within 60 days, or they are deemed approved (Gov. Code §§ 65852.21(h), 66411.7(b)).

- **Objective Standards Only:** Confirms that jurisdictions may apply only objective zoning, subdivision, and design standards that apply in single-family zones. (Gov. Code §§ 65852.21(b), 66411.7(c)).
- **State Enforcement:** Expands the California Department of Housing & Community Development's (HCD) enforcement authority to review local SB 9 ordinances and actions for compliance, and to pursue remedies (Gov. Code § 65585).
- **Clean-Up/Clarification:** Makes other technical and conforming changes to the statutes put in place by SB 9.

Project Description:

To comply with SB 9, as clarified by SB 450, staff proposes an ordinance that amends PDMC § 25.34.180 (Two-Unit Projects) and § 26.30.010 (Urban Lot Splits).

- A Two-Unit Project refers to a proposed housing development containing no more than two residential units on a single lot in a single-family residential zone. This may include two new units on a single vacant lot or the addition of one new unit to one existing unit on a single occupied lot. The two units may consist of any combination of single-family units, duplex units, and/or Accessory Dwelling Units (ADUs), but are limited to two units total per lot. ADUs are regulated separately under State ADU law and remain subject to applicable objective height, setback, and development standards.
- An Urban Lot Split refers to a proposed parcel map that subdivides an existing parcel to create no more than two new parcels of approximately equal lot area in a single-family residential zone. An Urban Lot Split must not require the demolition or alteration to housing that has been occupied by a tenant in the last three years and it is not permitted with a designated historic landmark or district, among other provisions. Urban Lot Splits are subject to the objective standards of the underlying zoning district, except where State law establishes specific minimums, such as a 1,200-square-foot minimum lot size, a maximum four-foot side and rear setback, and an exemption from parking requirements when located within one-half mile of transit or within one block of a car-share vehicle.

Both Two-Unit Projects and Urban Lots Splits must meet the objective standards and requirements established by the California Government Code and the Palm Desert Municipal Code.

The proposed ordinance includes amendments to the Palm Desert Municipal Code that align the City's regulations with updated statutory requirements, including 60-day review deadlines, reliance on objective standards, and integration of state enforcement provisions. Under the proposed ordinance, the City would be required to review and approve or deny an application for a Two-Unit Project or an Urban Lot Split within 60 days from the date a complete application is received. If an application is denied, the City must provide written comments to the applicant, including a list of items that are defective or deficient, along with a description of how the application can be remedied. Objective development standards would refer to the objective standards of the underlying zone since SB 450 prohibits the City from establishing objective standards that apply exclusively to Two-Unit Projects and Urban Lot Splits.

Adoption of the ordinance will align City regulations with SB 9 and SB 450. Staff therefore recommends that the City Council adopt the Ordinance (Attachment 1). Additional PDMC sections may require future updates to maintain consistency.

Planning Commission Recommendation:

At its regular meeting on October 21, 2025, the Planning Commission adopted Resolution 2902, recommending that the City Council approve the proposed Zoning Ordinance Amendment.

Public Notice:

Public notice was provided for the December 11, 2025, regular meeting of the City Council consistent with PDMC § 25.60.060. A public hearing notice was published in The Desert Sun on November 26, 2025, at least 10 days prior to the hearing date.

Environmental Review:

Under California Government Code sections 65852.21(k) and 66411.7(n), the adoption of an ordinance by a city or county implementing the provisions of Government Code sections 66411.7 and 65852.21 regulating urban lot splits and two-unit projects is statutorily exempt from the requirements of the California Environmental Quality Act ("CEQA"). Therefore, the proposed ordinance is statutorily exempt from CEQA because it implements laws enacted by SB 9 and SB 450.

Findings of Approval:

Findings can be made in support of the project under the City's Municipal Code. Findings in support of this project are contained in the Ordinance attached to this staff report.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

There is no financial impact to the General Fund with this action.

ATTACHMENTS:

1. Zoning Ordinance Amendment
2. Zoning Ordinance Amendment – Tracked Changes