

# CITY OF LEMON GROVE

# CITY COUNCIL STAFF REPORT

Item No. <u>2.</u>

Meeting Date: April 1, 2025

Submitted to: Honorable Mayor and Members of the City Council

**Department**: Community Development Department **Staff Contact:** Bill Chopyk, Special Projects Manager

bchopyk@lemongrove.ca.gov

Item Title: Second Reading and Adoption of Ordinance No. 467: An

Ordinance Amending Lemon Grove Municipal Code Title 12,

Chapter 12.10 - Increasing the Valuation Threshold for

**Public Street Dedications and Public Street Improvements** 

and Adding Additional Exceptions to Building Valuation

#### **Recommended Action:**

Hold second reading, by title only, and adopt Ordinance 467 (**Attachment A**) amending Lemon Grove Municipal Code (LGMC) Sections 12.10.050 and 12.10.060 the valuation threshold amount and establishing additional exemptions for public street dedications and public street improvements.

# **Summary/Discussion:**

This item was originally considered and adopted by a majority vote of the City Council on March 18, 2025 with one revision to add "solar" to the list of exceptions to building valuation. If adopted, the ordinance will become effective in 30 days.

This ordinance amends LGMC Sections 12.10.050 and 12.10.060 to increase the valuation threshold amount from \$15,000 to \$85,000 for public street dedications, and from \$25,000 to \$100,000 for public street improvements, with an inflation escalator based on the California Construction Cost Index (CCCI), and establishes additional exceptions to building valuation.

The staff report for this item from the March 18, 2025 City Council meeting is attached hereto as **Attachment B.** 

<b>Environmental Review:</b>	
Not subject to review	☐ Negative Declaration
Categorical Exemption, Section	☐ Mitigated Negative Declaration
The amendments to the LGMC herein contemposection 15378(b)(4) of the California Environn	· · · · · · · · · · · · · · · · · · ·
because they represent a decision without com	mitment to a specific project that may
result in a potentially significant physical impa	act on the environment. Therefore,
pursuant to Section 15060(c)(3) of the State Cl	EQA Guidelines, the actions proposed are

Fiscal Impact: None

exempt from CEQA.

#### **Public Notification:**

No public hearing notice is required for this amendment to the LGMC. Notice was given to the public on March 28, 2025 in the East County Californian. A certified copy of this Ordinance will also be posted in the Office of the City Clerk in accordance with Government Code section 36933.

#### **Staff Recommendation:**

Hold second reading, by title only and adopt Ordinance 467 (**Attachment A**) amending LGMC Title 12, Chapter 10, Sections 12.10.050 and 12.10.060 increasing the threshold valuation amount and establishing additional exceptions for public street dedications and public street improvements, including the addition of "solar" to the list of exceptions as directed by the City Council.

#### **Attachments:**

Attachment A – LGMC Ordinance 467

Attachment B – Staff Report from the March 18, 2025, City Council Meeting

ORDINANCE NO.	
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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, AMENDING LEMON GROVE MUNICIPAL CODE TITLE 12, CHAPTER 10, SECTIONS 12.10.050 AND 12.10.060 INCREASING THE THRESHOLD VALUATION AMOUNT AND ESTABLISHING ADDITIONAL EXEMPTIONS FROM PUBLIC STREET DEDICATIONS AND PUBLIC STREET IMPROVEMENTS

**WHEREAS**, the City of Lemon Grove inherited neighborhoods with narrow substandard streets without sidewalks, curbs, gutters and street lights when it incorporated on July 1, 1977; and

**WHEREAS**, in 2006, the Lemon Grove City Council enacted Lemon Grove Municipal Code (LGMC) Chapter 12.10 to promote incremental street dedications and public improvements as properties are upgraded and developed; and

WHEREAS, LGMC Sections 12.10.050 and 12.10.060 currently require public street dedications and public street improvements for the erection, enlargement, or alteration of any building or structure on property that abuts a public street. Building permits with a valuation less than fifteen thousand dollars (\$15,000) are exempt from public street dedications. Building permits with a valuation less than twenty-five thousand dollars (\$25,000) are exempt from public street improvements; and

WHEREAS, the provisions of LGMC Title 12 (Streets, Sidewalks and Public Places) date back to 2006. Construction costs and building valuations have increased significantly since then, placing unreasonable costs on homeowners and businesses for relatively minor remodeling and tenant improvement projects, and causing delays in the building permit approval process. A review and update of the cost thresholds and/or types of exemptions for public street dedications and improvements is needed for a more equitable application of the LGMC requirements for public street dedications and improvements; and

**WHEREAS**, the State of California enacted a series of Accessory Dwelling Unit (ADU) laws beginning in 2016 that prohibit cities from requiring street dedications and public improvements in connection with the construction of ADU's; and

**WHEREAS**, the State of California enacted Senate Bill 9 (SB9) in 2022 that prohibits cities from requiring street dedications and public improvements in connection with ministerial SB9 lot splits as stated in Government Code Section 66411.7 (b)(3); and

**WHEREAS**, on February 24, 2025, the Planning Commission received a staff report and deliberated on the issue of public street dedications and public street improvements; and

**WHEREAS**, on February 24, 2025 the Planning Commission adopted Resolution No. 2025-01 recommending LGMC amendments to the City Council; and

**WHEREAS**, the City Council received a staff report and deliberated on the issue of public street dedications and public street improvements, including inflation factors that affect building valuations over time; and

WHEREAS, amendments to LGMC Title 12, Chapter 10, Sections 12.10.050 and 12.10.060 are not a "Project" as defined under Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because it is a decision without commitment to a specific project that may result in a potentially significant physical impact on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the actions proposed are not subject to CEQA review.

**NOW, THEREFORE,** the City Council of the City of Lemon Grove, California, does ordain as follows:

**Section 1.** The foregoing recitals are true and correct.

**Section 2.** Existing Chapter 12.10 [PUBLIC STREET DEDICATION AND IMPROVEMENTS] of Title 12 [Streets Sidewalks and Public Places] of the Lemon Grove Municipal Code is hereby amended to read as follows in the strikeout/underlined changes:

#### Title 12 Streets Sidewalks and Public Places

#### Chapter 12.10 PUBLIC STREET DEDICATION AND IMPROVEMENTS

### Section 12.10.050 Public street dedication.

- A. No building permit shall be issued for the erection, enlargement, or alteration of any building or structure, unless the abutting public street(s) right-of-way is dedicated to a one-half right-of-way width specified and approved by the engineering division and consistent with the Mobility Element of the General Plan.
- B. Exemptions. The foregoing requirements of subsection A of this section shall not apply to any of the following:
  - 1. Building permits with a valuation of less than fifteen eighty-five thousand dollars, adjusted annually starting in 2026 using the California Construction Cost Index (CCCI). The building permit valuation shall be calculated by adding all of the valuations assigned to building permits for the subject property that comply with all of the following:
    - a. The building permits were applied for after the effective date of the ordinance codified in this chapter and within five years of the application date of the building permit being applied for;
    - b. The building permits are either in processing or have final building department approval; and
    - c. The building permits are not exempt pursuant to subsections (B)(2) and through (B)(3)(4) of this section.
  - 2. Maintenance, repairs and demolitions to existing structures if no physical elements of the building or structure are relocated or added.
  - 3. The establishment of accessory dwelling units and improvements required pursuant to Section 17.24.060(C)(13)(D)(1) of the city of Lemon Grove Municipal Code.
  - 4. Garages and carports, residential improvements that do not increase floor area, interior tenant improvements for individual spaces in a multi-tenant building, tenant improvements that do not increase floor area or occupancy load, pools, storage sheds, roofing, decks and patio covers, and solar.
  - 5. Senate Bill 9 lot splits.

## Section 12.10.060 Public street improvements.

A. No building permit shall be issued for the erection, enlargement, or alteration of any building or structure unless one half of the public street ultimate right-of-way

- abutting the subject property is improved with public street improvements for the entire length of the subject property abutting the public street so as to meet the city adopted standards.
- B. Exemptions. The foregoing requirements of subsection A of this section shall not apply to any of the following:
  - 1. Building permits with a valuation of less than twenty-five one hundred thousand dollars, adjusted annually starting in 2026 using the California Construction Cost Index (CCCI). The building permit valuation shall be calculated by adding all of the valuations assigned to building permits for the subject property that comply with all of the following:
    - a. The building permits were applied for after the effective date of the ordinance codified in this chapter and within five years of the application date of the building permit being applied for;
    - b. The building permits are either in processing or have final building department approval; and
    - c. The building permits are not exempt pursuant to subsections (B)(2) through (B) $\frac{(4)}{(5)}$  of this section.
  - 2. Maintenance, repairs and demolitions to existing structures if no physical elements of the building or structure are relocated or added.
  - 3. The establishment of accessory rental dwelling units and improvements required and associated with the establishment of accessory dwelling units as indicated in Section 17.24.060(C)(13)(D)(1) of the city of Lemon Grove Municipal Code.
  - 4. Properties located within the residential low and residential low/medium zoning districts as indicated on the official zoning map of the city of Lemon Grove, except that building permits proposing the construction of new single-family residence(s) shall not be exempt from the requirements of subsection A of this section.
  - 5. Garages and carports, residential improvements that do not increase floor area, interior tenant improvements for individual spaces in a multi-tenant building, tenant improvements that do not increase floor area or occupancy load, pools, storage sheds, roofing, decks and patio covers, and solar.
  - 6. <u>Senate Bill 9 lot splits.</u>

**Section 3.** The City Council finds and determines that the amendments to the LGMC herein contemplated are not a "Project" as defined under Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because it is a decision without commitment to a specific project that may result in a potentially significant physical impact on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the actions proposed are not subject to CEQA.

**Section 4.** If any section, sentence, clause or phrase of this Ordinance is determined to be invalid, illegal or unconstitutional by a decision or order of any court or agency of competent jurisdiction, then such decision or order will not affect the validity and enforceability of the remaining portions of this Ordinance. The City Council declares that it would have passed and adopted the Ordinance, and each section, sentence, clause or phrase thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

**Section 5.** This Ordinance shall be effective thirty (30) days following its adoption. Within fifteen (15) days following its adoption, the City Clerk shall certify to the passage of this Ordinance and cause the same to be published, or the title thereof, as a summary as required by state law in a newspaper of general circulation designated for legal notices publication in the City of Lemon Grove.

	INTRODUCE	<b>D</b> at a 1	regular	meeting	of the	City	Council	of the	City	of L	emon
Grov	e, California, on N	Aarch 18	8, 2025.	•							

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lemon Grove, California, on April 1, 2025 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Allyson Snow, Mayor
Attest:	
Joel G. Pablo, City Clerk	
Approved as to Form:	
Kristen Steinke, City Attorney	



# CITY OF LEMON GROVE

# CITY COUNCIL STAFF REPORT

Item No. 3.

Meeting Date: March 18, 2025

Submitted to: Honorable Mayor and Members of the City Council

**Department**: Community Development Department **Staff Contact:** Bill Chopyk, Special Projects Manager

bchopyk@lemongrove.ca.gov

Item Title: Amendment to Lemon Grove Municipal Code Title 12,

Chapter 12.10 - Increasing the Valuation Threshold for

**Public Street Dedications and Public Street Improvements** 

**Recommended Action:** Introduce an Ordinance **(Attachment A)** amending Lemon Grove Municipal Code (LGMC) Sections 12.10.050 and 12.10.060 increasing the valuation threshold amount and establishing additional exemptions for public street dedications and public street improvements.

**Summary:** Lemon Grove Municipal Code (LGMC) Sections 12.10.050 and 12.10.060 require public street dedications and public street improvements for the erection, enlargement, or alteration of any building or structure on property that abuts a public street. Building permits with a valuation less than fifteen thousand dollars (\$15,000) are exempt from public street dedications. Building permits with a valuation less than twenty-five thousand dollars (\$25,000) are exempt from public street improvements.

The provisions of LGMC Title 12 (Streets, Sidewalks and Public Places) date back to 2006. Since then, construction costs and building valuations have significantly increased, placing unreasonable costs on homeowners and businesses for relatively minor remodeling and tenant improvement projects, and causing delays in the building permit approval process. A review and update of the cost thresholds and/or types of exemptions for public street dedications and improvements is needed for a more equitable application of the LGMC requirements for public street dedications and improvements.

**Background:** When the City of Lemon Grove incorporated on July 1, 1977, it inherited neighborhoods with narrow substandard streets without sidewalks, curbs, gutters and street lights. The City Council enacted LGMC Chapter 12.10 to promote incremental street

dedications and public improvements as properties are upgraded and developed. The findings, purpose and intent for public street dedication and improvements are shown below.

## LGMC Section 12.10.010 Findings, Purpose and Intent.

- A. The city council finds as follows:
  - There is a lack of adequate curbs, gutters, sidewalks and street lights in various areas of the city, which are necessary to provide a safe environment for pedestrians; and
  - 2. The lack of improved sidewalks in the city in many instances forces pedestrians, including school children to walk in the streets; and
  - 3. Streets of inadequate width and improvements hinder safety and efficient vehicular movement; and
  - 4. The lack of curbs, storm drains and other public street improvements results in poor drainage and degrades water quality; and
  - 5. The lack of improved streets impedes the operation of emergency vehicles as well as street sweepers and refuse collection vehicles.
- B. It is the purpose of the City Council in adopting the provisions of this chapter to:
  - Impose reasonable requirements for the dedication of real property for public street purposes and for the installation of public street improvements upon persons engaged in the development, construction, reconstruction or remodeling of buildings which tend to result in increased demands upon the existing public streets in the city, thereby adversely impacting the public health, safety and welfare; and
  - 2. Extend the public street dedication and improvement requirements of the Subdivision Map Act by establishing standards and requirements for public street dedication and improvements in connection with the development of land in which no subdivision is involved; and
  - 3. Spread the cost of public street improvements upon all properties abutting public streets in an equitable manner, and by causing the installation of those improvements required by the city to serve property being developed.

The proposed amendments to the LGMC will help bring the City into compliance with State Law. For example, the State of California enacted a series of Accessory Dwelling Unit (ADU) laws beginning in 2016 that prohibit cities from requiring street dedications and public improvements in connection with the construction of ADU's. In addition, Senate Bill 9 (SB9) in 2022 that prohibits cities from requiring street dedications and public improvements in connection with ministerial SB9 lot splits.

Further, in April 2023, the City Council approved a Sidewalk Master Plan (SMP). The SMP identifies 60 miles of sidewalks and 65 miles of sidewalk gaps in the City of Lemon Grove. The SMP aims to support the City's efforts to improve sidewalks by providing a

prioritized list of improvements and avenues to apply for funding for new sidewalk facilities. The SMP identified 4,237 sidewalk defects with a probable construction cost of \$4.7 million to repair the defects. The proposed amendments to the LGMC will help address the issues highlighted by the SMP.

**Planning Commission Recommendation:** On February 24, 2025 the Planning Commission reviewed the proposed LGMC amendments and adopted Resolution No. 2025-01 **(Attachment B)** recommending City Council approval. The Planning Commission accepted staff's recommendation and requested a review of these LGMC provisions every three years beginning in the 1<sup>st</sup> Quarter of 2030 to coincide with the three-year cycle of the California Building Code to ensure that the City remains on target with the building valuations in lieu of inserting an inflation factor into the municipal code. In addition, the Planning Commission recommended changing "occupancy" to "occupancy load" in the list of exemptions.

**Discussion:** Street dedications and public improvement requirements vary greatly by jurisdiction in the San Diego Region. Some cities and communities in the unincorporated areas of San Diego County purposefully omit sidewalks, curb & gutter as a desired rural element contributing to the character of the community. Other jurisdictions have established neighborhoods with standard street widths, street lights, sidewalks, curb & gutter. Table 1 below compares some of the jurisdictions in the San Diego Region as it relates to public street dedications and public improvements.

Table 1 – Comparison of Valuation Thresholds in the San Diego Region

<b>Jurisdiction</b>	<b>Valuation</b>	<b>Municipal Code</b>	<b>Exceptions</b>
	<b>Threshold</b>	<u>Reference</u>	
City of El Cajon	\$80,000	ECMC 12.12.030	interior alterations, roofing,
			swimming pools
City of National	\$100,000	NCMC 13.22.050	signs, no occupancy increase,
City		- 13.22.090	accessory structures such as
			garages, pools, decks and
			patios
City of Solana	\$100,000	SBMC 11.04.040	single family homes in
Beach			residential zones
City of Santee	Market value:	SMC 11.24.030 -	garages, carports, play
	50% residential,	11.24.060	equipment, patio covers and
	25% commercial		storage sheds
City of La Mesa	N/A	Sidewalk Master	dedications and public
		Plan	improvements not required,
			some neighborhoods have
			sidewalks, some don't

City of Poway	Always required	PMC 15.06.010 -	additions less than 750 sq.ft.
		15.06.040	garages, carports, storage
			buildings, patio covers,
			swimming pools, spas,
			uninhabitable accessory
			structures, interior
			alterations
City of	\$3,000	CMC 52.06.030	accessory structures
Coronado			
City of San	No more than	SMMC Chapter	residential additions,
Marcos	25% of lot area	17.40	accessory buildings,
			agricultural buildings
City of	\$23,828	EMC 23-119 and	SB9 urban lot split
Escondido		23-120	developments

Cities are preempted by State law from requiring any public improvements for ADUs and SB9 lot splits, as referenced herein, which is an adjustment to the LGMC that is proposed by this agenda item.

Further, California Assembly Bills like AB 68 and AB 881 restrict local governments from imposing excessive requirements on ADUs, including demands for public improvements not directly related to the ADU itself and Government Code Section 66411.7 (b)(3) states that a local agency shall not impose regulations that require dedications of rights-of-way or the construction of offsite improvements for the parcels being created as a condition of issuing a parcel map for an SB9 urban lot split.

Typical residential home improvement projects fall into the **Project Valuations:** \$50,000-\$100,000 valuation range. Commercial projects vary greatly in project valuations. Interior tenant improvements for individual units in a multi-tenant building fall in the \$50,000-\$100,000 valuation range, whereas improvements to larger freestanding commercial buildings, such as the 8,000 sq. ft. Union Bank building (currently vacant) at 85 Lemon Grove Way would have a project valuation of about \$425,000. A recent tenant improvement at 8035 Broadway had a project valuation of \$183,000 for a freestanding 3,500 sq. ft. taco shop.

**Inflation Escalator:** An escalator to building valuation is needed to account for inflation over time. The Planning Commission recommended a review every three years to coincide with the California Building Code three-year review cycle. However, staff is concerned that the three-year review may get lost over time. An automatic inflation factor, such as the California Construction Cost Index (CCCI), tied to a specific point in time, would allow annual building valuation adjustments to keep up with inflation. The CCCI is based on changes in the cost of construction updated monthly and reported annually, from December to December each year by the California Department of General Services, Real Estate Services Division.

## Recommended Changes to LGMC Sections 12.10.050 and 12.10.060:

- 1. Increase the valuation threshold amount of \$15,000 for public dedications and \$25,000 for public improvements to \$85,000 for public dedications and \$100,000 for public improvements with an automatic inflation escalator using the California Construction Cost Index (CCCI).
- 2. Add exceptions to building valuation:
  - Garages and carports;
  - Residential improvements that do not increase floor area;
  - Interior tenant improvements for individual units in a multi-tenant building;
  - Tenant improvements that do not increase floor area or occupancy;
  - · Pools, decks and patio covers;
  - · Storage sheds;
  - · Roofing;
  - ADUs and JADUs;
  - SB9 lot splits.

**Analysis:** An increase in the valuation threshold to \$85,000 for public dedications and \$100,000 for public improvements would account for inflation over the past 20 years since the last update to this Chapter of the LGMC was adopted. The CCCI factor applied annually starting in 2026 would allow building valuations to keep up with inflation, based on changes in the cost of construction. The proposed range in valuation is comparable with several other jurisdictions in the region. The proposed exceptions are construction types that would not result in increased demands upon the existing public streets in the City. Finally, ADUs and SB9 lot splits are mandated by the State to be exempt from public improvements.

#### **Environmental Review:**

⊠ Not subject to review	☐ Negative Declaration
☐ Categorical Exemption, Section	☐ Mitigated Negative Declaration

The amendments to the LGMC herein contemplated are not a "Project" as defined under Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because it is a decision without commitment to a specific project that may result in a potentially significant physical impact on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the actions proposed are not subject to CEQA.

Fiscal Impact: None

**Public Notification:** The City Council agenda was posted at least 72 hours prior to the City Council meeting. No public hearing notice is required for this amendment to the LGMC.

**Staff Recommendation:** Introduce an Ordinance (**Attachment A**) recommending amendments to LGMC Title 12, Chapter 10, Sections 12.10.050 and 12.10.060 increasing the threshold valuation amount and establishing additional exemptions for public street dedications and public street improvements.