

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannan Street, Suite 400  
Sacramento, CA 95811  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



May 5, 2025

Kim Fowler  
Planning Manager  
City of Morro Bay  
955 Shasta Avenue  
Morro Bay, CA 93442

Dear Kim Fowler:

**RE: City of Morro Bay – 2900 Alder Ave – Letter of Technical Assistance**

The California Department of Housing and Community Development (HCD) received a request for technical assistance regarding the proposed Senate Bill (SB) 684 project located at 2900 Alder Ave (Project) in the City of Morro Bay (City). This letter provides technical assistance regarding the applicability of SB 684 to the subdivision of the subject property and to determine the applicable density of the newly created parcels under SB 684.

**Background**

HCD understands that the Project proposes to subdivide the property into three (3) lots using the provisions of SB 684 and construct one (1) unit on each of the newly created lots. The subject property is located in a Residential Medium Density (R-M) zone and has a general plan designation of Medium Density Residential, both of which allow for multi-family residential uses. The current zoning allows for a maximum density of 15 dwelling units per acre.

HCD understands there is a disagreement between the City and the Project applicant regarding the number of units that may be constructed under SB 684. The City has indicated that the project is limited to two (2) dwelling units based on the property's zoning and default density, while the Applicant is proposing three (3) units, i.e., one (1) unit per lot.

**Senate Bill 684**

SB 684 (Chapter 783, Statutes of 2023) added Government Code sections 65852.28 and 66499.41, which create a streamlined ministerial approval process for development projects of ten or fewer residential units on urban lots under five acres located on sites that allow for multi-family residential uses. The statutes require the local agency to ministerially consider, without discretionary review or hearings, a parcel map or tentative map and housing development project that meet specific requirements.

## **Analysis**

With the request for assistance submitted, the relevant questions are as follows:

### **Question 1: Does SB 684 allow the subdivision of a property to up to ten parcels?**

Yes. Under Government Code Section 66499.41, a property located in a multi-family residential zone and less than five (5) acres may be subdivided into up to ten (10) parcels, provided each new parcel is at least 600 square feet.<sup>1</sup>

The applicant proposes subdividing a 6,000 square-foot lot into three parcels measuring 2,133 square feet, 1,813 square feet, and 2,053 square feet. The statute mandates ministerial approval for qualifying subdivisions, meaning that if the proposed lot subdivision meets all statutory requirements, the City must approve the parcel map or tentative and final map without discretionary review.<sup>2</sup>

### **Question 2: What is the applicable density of SB 684 subdivided parcels?**

The density for each of the resulting subdivided parcels is 15 dwelling units per acre, as designated by the Residential Medium Density (R-M) zone. When a property is subdivided under Government Code section 66499.41, the density of the newly created parcels remains tied to the permitted density of the underlying zoning designation.<sup>3</sup> In other words, the maximum allowable density of the pre-subdivided parcel does not create a cap on the number of total units possible for the project post-subdivision. Applying this density to the three new parcels, then, will result in one (1) dwelling unit per lot when rounded to the nearest whole number.

Additionally, pursuant to SB 684, local jurisdictions may not impose objective zoning, subdivision, or design standards that would physically preclude development at the density permitted by existing zoning regulations.<sup>4</sup>

## **Conclusion**

HCD understands the challenges of implementing ever-changing state housing laws and are committed to supporting the City in achieving full implementation of SB 684. HCD would also like to remind the City that HCD has enforcement authority over SB 684 and various other state housing laws. Accordingly, HCD may review local government actions and inactions to determine consistency with these laws.

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<sup>1</sup> Gov. Code, § 66499.41, subd. (a)(3)(A).

<sup>2</sup> Gov. Code, § 66499.41, subd. (a).

<sup>3</sup> Gov. Code, § 65852.28, subd. (b)(2)(A).

<sup>4</sup> Gov. Code, § 65852.28, subd. (b)(2)(A).

Should you have any questions regarding this letter or require additional technical assistance, please feel free to contact Troy Andres, of our staff, at [troy.andres@hcd.ca.gov](mailto:troy.andres@hcd.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Zisser', with a stylized flourish extending to the right.

David Zisser  
Assistant Deputy Director  
Local Government Relations and Accountability