



MEMORANDUM

TO: PLANNING COMMISSION

FROM: BRIAN PEDROTTI, COMMUNITY DEVELOPMENT DIRECTOR

BY: ANDREW PEREZ, ASSOCIATE PLANNER

SUBJECT: STUDY SESSION FOR THE PLANNING COMMISSION TO REVIEW, RECEIVE COMMENT AND PROVIDE DIRECTION ON AMENDMENTS TO TITLE 16 OF THE ARROYO GRANDE MUNICIPAL CODE (AGMC) REGARDING ACCESSORY DWELLING UNITS AND TINY HOMES ON WHEELS; DEVELOPMENT CODE AMENDMENT 20-001; LOCATION – CITYWIDE;

DATE: AUGUST 3, 2021

SUMMARY OF ACTION:

The purpose of this hearing is to give the Planning Commission an opportunity to review amendments and provide direction for updates to the accessory dwelling unit (ADU) ordinance, including tiny homes on wheels (THOW).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Review and feedback on the ordinance update will not impact financial or personnel resources.

RECOMMENDATION:

It is recommended that the Planning Commission review the proposed amendments, take public comment, and direct staff to return to the Commission for a recommendation hearing.

BACKGROUND:

The state legislature has identified production of Accessory Dwelling Units (ADUs) as an important strategy to increase housing statewide. In 2017, the state made significant changes to the manner by which local governments can regulate ADUs, primarily with respect to parking, types and sizes of ADUs, approval process and timelines, and utility fees. In response, the City adopted Ordinance 688 in October 2017, bringing local regulations consistent with 2017 state law at that time.

While state legislators acknowledged that the ADU permitting process was significantly streamlined as a result of the 2017 legislation, some were concerned that local jurisdictions' regulations, such as unit size maximums and impact fees, continued to

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impede property owners from constructing ADUs. As a result, in October 2019, Governor Newsom signed new state housing bills that further amended Government Code §65852.2 and §65852.22 related to regulations for development of ADUs. Therefore, Title 16 must be amended again for consistency with state law.

ANALYSIS OF ISSUES:

State Legislation

The passage of Assembly Bills 68, 881, 587, 670, and 671, and Senate Bill 13 impacted the City's regulatory authority over the construction of ADUs. A total of six amendments to state law for ADUs were included in the 2019 legislation and made effective on January 1, 2020. Table 1 summarizes each of the six (6) and how each is implemented.

Table 1: 2019 State Law Amendments Affecting ADU Development

Bill	Code Section	Summary	Status
AB 881 AB 68 SB 13	Government Code §65852.2 Accessory Dwelling Units & §65852.22 Junior Accessory Dwelling Units	<ul style="list-style-type: none"> • Allows ADUs up to 850 square feet or 1,000 square feet on any residential or mixed-use lot • Prohibits owner-occupancy requirement. • Requires ministerial approval within 60 days of application. • Prohibits impact fees on ADUs under 750 square feet. • Prohibits minimum lot size requirements for ADU • Reduces parking requirements • Allows one ADU plus one junior ADU 	Amendments proposed to Title 16 to comply
AB 587	New Government Code §65852.22	Option for local agencies to adopt by ordinance a provision that allows an ADU to be sold or conveyed separate from the primary residence if the property was built or developed by a qualified nonprofit corporation	Not proposed in the draft ordinance.
AB 670	Civil Code §4751	Removes covenants, conditions, and restrictions (CC&Rs) in a planned development that either effectively prohibit or unreasonably restrict the construction or use of an ADU or JADU.	Not required to be incorporated in the AGMC
AB 671	Government Code §65583(c)(7)	Amends housing element law and requires the City to incentivize and promote ADUs that can be offered at an affordable rent.	Addressed in Housing Element update Programs A.2-1 & A.2-2

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The proposed draft ordinance amends existing the development standards for ADUs, including allowed locations, setbacks, size limitations, parking, and owner occupancy (Attachment 1).

Development Standards

Several existing property development standards are required to be amended in response to the changes to state legislation. The existing ordinance prohibits ADU development on mixed-use zoned parcels and requires a minimum lot size requirement of 6,750 square feet. Amendments to state law allow ADUs on any parcel that allows a residential use, including mixed-use zones, regardless of lot size. An ADU may be established within an existing or proposed primary dwelling, conversion of an existing accessory structure, reconstruction of an existing structure proposed to be converted to an ADU, or construction of a new detached structure.

Perhaps the most significant change mandated by state law allows a parcel developed with a primary dwelling unit and an ADU to also establish a Junior Accessory Dwelling Unit (JADU) within the space of an existing primary dwelling unit, for a total of three (3) units on a single property. A JADU, as defined in Government Code Section 65852.22, is a dwelling unit that is no more than 500 square feet in size and contained entirely within an existing or proposed single-family structure. A JADU shall include an efficiency kitchen, and may include separate sanitation facilities or share sanitation facilities with the existing dwelling.

Size Limits & Setbacks

State legislation includes a “By-Right Provision” which allows an attached or detached ADU with a maximum size of 850 square-feet for studio or one-bedroom units, or 1,000 square-foot for a unit with more than one bedroom, in any circumstance. ADUs permitted through this provision are subject to a maximum height of 16 feet, four-foot side and rear setbacks, and compliance with all building codes. No minimum lot size or lot coverage requirement shall apply to units permitted by this provision.

The standards proposed in the amended ordinance would limit the maximum size of attached ADUs to 1,200 square feet, or fifty percent (50%) of the total living area of the existing or proposed living area of the primary dwelling unit, whichever is less. This is a change from the existing regulations, which restrict the maximum size of both attached and detached ADUs to the lesser of:

- The maximum unit size allowed in the zone in which the ADU is proposed, which ranged from 850 square feet the Single Family and Village Residential zones, to 1,200 square feet in all others, or
- Fifty percent (50%) of the primary unit.

ADUs proposed to exceed the sizes permitted by the By-Right Provision would remain subject to the setbacks, height limit, lot coverage and floor-area limitations of the zoning district in which they are located.

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Parking

The existing ordinance requires one parking space per bedroom in the ADU, with a maximum of two parking spaces per unit. Amendments to state legislation establish a maximum of one parking space per ADU. Parking spaces for ADUs do not need to be covered and may be located in the driveway or setbacks, a provision that remains the same as the existing ordinance. The proposed ordinance establishes areas in the front yard where parking is prohibited and clarifies that ADU parking spaces must be on fully paved surfaces, consistent with AGMC Section 16.56.070. The five (5) existing parking exemptions in the Municipal Code remain applicable, and the following two exemptions are newly added by state law:

1. Parking spaces are not required when an ADU is created within an existing or proposed structure.
2. Parking spaces for a primary dwelling are not required to be replaced when a garage, carport, or other covered parking structure is demolished or converted in conjunction with the construction of an ADU.

The proposed ordinance retains a parking requirement for ADUs when applicable. However, given the ADU parking space exemptions in the state law, particularly the exemption for ADUs within a half mile of a bus stop, a significant portion of parcels within the City will not be required to provide parking spaces for ADUs.

The existing ordinance also requires parking spaces in a garage or carport to be replaced when converted to an ADU, but that is no longer required under state law. As a result, a property that chooses to convert their garage to an ADU is not required to provide parking for either the primary dwelling unit or ADU.

Owner Occupancy, Rental, and Sales

Owner occupancy is not required for ADUs whose permits were issued after January 1, 2020 and on or before January 1, 2025. ADUs constructed during this time period may be rented separately from the primary dwelling unit, but may not be sold separately. State law allows local ordinance to require owner occupancy for properties developed with a JADU, and the proposed ordinance includes that requirement. The owner may reside in either the primary unit or JADU to satisfy this requirement. Neither ADUs nor JADUs permitted under the amended Code will be eligible to be permitted for use as a short term rental. For purposes of compliance with this standard, a short term rental is defined as any rental of less than 31 days. Properties developed with ADUs at the time of the revisions discussed herein will remain eligible for use as short term rentals.

Tiny Homes on Wheels

City Council authorized staff to develop an ordinance to allow Tiny Homes on Wheels (THOW) on all residentially zoned parcels in the City to address housing supply shortages and affordability (Attachment 2). THOW will be an alternative to permanent ADU structures and have been identified as a means to increase housing supply, choices, and affordability.

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A THOW is considered a type of ADU, and more narrowly defined as a structure intended for separate, independent living quarters for one household that meets the following conditions:

- 1) Is a detached self-contained unit, designed and built to look like a conventional building structure, and which includes basic functional areas that support normal daily routines such as cooking, sleeping, toilet and bathing facilities; and
- 2) Is licensed and registered with the California Department of Motor Vehicles; and
- 3) Meets the American National Standards Institute (ANSI) 119.5 requirements or the National Fire Protection Association (NFPA) 1192 standards, and is certified for ANSI or NFPA compliance. Certification must be made by a qualified third-party inspector; and
- 4) Is towable by a bumper hitch, frame-towing hitch, or fifth-wheel connection, cannot move under its own power and is no larger than allowed by California State Law for movement on public highways; and
- 5) Has a minimum of 100 square feet and maximum of 400 square feet as measured within the exterior faces of the exterior walls

A recreational vehicle, camper, trailer, or manufactured home, as defined in Section 18010 of the California Health and Safety Code would not be viable as a THOW.

Allowed Locations

THOW are proposed to be allowed on any residential lot with an existing single family dwelling. Both a THOW and ADU would not be allowed on a single lot, as currently proposed. The proposed Ordinance would require the THOW to be located on the rear portion of a lot, and setback at least four feet (4') from an interior or rear property line and ten feet (10') from a street side property line. Additionally, the proposed ordinance requires a THOW to be parked on a surface paved with concrete, asphalt, or an equivalent paving material.

Design Standards

A THOW would be subject to design criteria to maintain the scale and character of the existing residential development. For example, the undercarriage of the THOW shall be hidden from view by the installation of a skirt around its perimeter. The ordinance would also limit the height of the structure to one-story, require that mechanical equipment is integrated into the structure, and prohibits any form of room area extensions, such as slide-outs. The THOW would be required to connect to electric, water, and sewer utilities.

Other Considerations

A THOW would not be eligible for use as a short term rental.

Stakeholder and Community Outreach and Involvement

The sixth cycle Housing Element prioritizes development of ADUs as a strategy to meet housing needs and the Regional Housing Needs Allocation assigned to the City. Housing Element Program A-2.1 calls for an update of the ADU ordinance and publicize

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the ADU program to increase public awareness. During the Housing Element Update, staff received comments from both the Planning Commission and City Council about the desire to update the ADU ordinance to encourage the creation of more ADUs. The SLO County ADU Task Force, a volunteer group promoting development of ADUs, has also identified obstacles in the planning and permitting process that this update hopes to resolve. For example, the ordinance will clarify requirements for maximum unit sizes, parking requirements, and utility connections. Additionally, after adopting the new ordinance, the City's website will be updated to include information about ADU development.

Next Steps

The Planning Commission is being asked to review and comment on the draft ADU ordinance. Revisions to the draft ordinance, as directed by the Commission, will be incorporated by staff before returning for a recommendation to Council for adoption. Staff may also seek input from the SLO County ADU Task Force before returning to the Commission for a recommendation.

ADVANTAGES:

Amending the ADU ordinance will bring it into compliance with state law and allow for a streamlined review process. Incorporating provisions to allow THOW will provide another option to increase housing production and housing options.

DISADVANTAGES:

None identified.

ENVIRONMENTAL REVIEW:

In compliance with the California Environmental Quality Act (CEQA), the Community Development Department has determined that the project is statutorily exempt per Section 15282(h) of the Guidelines regarding projects involving the adoption of an ordinance regarding second units in a single-family or multifamily residential zone by a city to implement provisions of Government Code Section 65852.2.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2. Notifications about the discussion were also sent to members of the public that have expressed interest in the ordinance update.

Attachment:

1. Draft Accessory Dwelling Unit Ordinance
2. Draft Tiny Home on Wheels Ordinance

**ACTION MINUTES
MEETING OF THE PLANNING COMMISSION
TUESDAY, AUGUST 3, 2021
ARROYO GRANDE COUNCIL CHAMBERS
215 EAST BRANCH STREET
ARROYO GRANDE, CALIFORNIA**

1. CALL TO ORDER

Chair Martin called the Planning Commission meeting to order at 6:04 p.m.

2. ROLL CALL

Planning Commission: Commissioners Kevin Buchanan, Jim Guthrie, Jamie Maraviglia, Vice Chair Frank Schiro and Chair Glenn Martin were present.

Staff Present: Community Development Director Brian Pedrotti, Associate Planner Andrew Perez and Assistant Planner Patrick Holub were present.

3. FLAG SALUTE

Chair Martin led the flag salute.

4. AGENDA REVIEW

None.

5. COMMUNITY COMMENTS AND SUGGESTIONS

None.

6. WRITTEN COMMUNICATIONS

None.

7. CONSENT AGENDA

7.a. CONSIDERATION OF APPROVAL OF MINUTES

Recommended Action: Approve the minutes of the June 15, 2021 Regular Planning Commission meeting.

Action: Commissioner Maraviglia moved and Commissioner Guthrie seconded the motion to approve the minutes of June 15, 2021.

The motion passed on the following roll-call vote:

AYES: Maraviglia, Guthrie and Martin

NOES: None

ABSENT: None

ABSTAIN: Buchanan and Schiro

8. PUBLIC HEARINGS

None.

9. NON-PUBLIC HEARINGS

9.a STUDY SESSION FOR THE PLANNING COMMISSION TO REVIEW, RECEIVE COMMENT AND PROVIDE DIRECTION ON AMENDMENTS TO TITLE 16 OF THE ARROYO GRANDE MUNICIPAL CODE (AGMC) REGARDING ACCESSORY DWELLING UNITS AND TINY HOMES ON WHEELS; DEVELOPMENT CODE AMENDMENT 20-001; LOCATION – CITYWIDE

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Recommended Action: It is recommended that the Planning Commission review the proposed amendments, take public comment, and direct staff to return to the Commission for a recommendation hearing.

Associate Planner Perez presented the staff report and highlighted areas of the ADU ordinance that are proposed to be amended in response to changes to state law. He also responded to questions from the Commission.

Chair Martin opened the public comment.

Joe Dollan spoke in favor of adding provisions to regulate tiny homes on wheels and offered suggestions to the draft ordinance that would make installation of tiny home easier.

Chair Martin closed the public comment.

The Commission was supportive of the proposed amendments, but wanted the architectural compatibility standards in the draft ordinance revised to be more permissive of pre-fabricated units. The Commission also encouraged staff to revise the design standards for tiny homes to allow for flexibility in designs that provide light and air for occupants.

Commissioner Guthrie made a motion to direct staff to make revisions to the draft ordinance in response to comments from the Commission and the public. The motion was unanimously supported.

10. ADMINISTRATIVE DECISIONS SINCE JULY 20, 2021

Case No.	Applicant	Address	Description	Action	Appeal Deadline
PPR21-021	Verizon Wireless	459 Puesta del Sol	Upgrade of existing wireless communications facility located at City Reservoir 5	A	8/9/21
PPR21-022	Verizon Wireless	1275 Ash Street	Modifications to an existing wireless telecommunication facility	A	8/4/21

11. COMMISSION COMMUNICATIONS

Members of the Planning Commission welcomed Commissioner Buchannan.

12. STAFF COMMUNICATIONS

Community Development Director Pedrotti informed the Commission of the Downtown Parking Advisory Board meeting on August 12, 2021 where the Board would discuss parklets in the Village as well as limited time parking signage and curb painting.

13. ADJOURNMENT

The meeting adjourned at 7:25 p.m.

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ATTEST:



**PATRICK HOLUB
ASSISTANT PLANNER
(Approved at PC Meeting 8-17-21)**



GLENN MARTIN, CHAIR

