

MEMORANDUM

TO: PLANNING COMMISSION

FROM: BRIAN PEDROTTI, COMMUNITY DEVELOPMENT DIRECTOR

BY: ANDREW PEREZ, ASSOCIATE PLANNER

SUBJECT: CONSIDERATION OF 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 17, 2021

SUMMARY OF ACTION:

A recommendation to City Council to adopt amendments to the accessory dwelling unit ordinance, including tiny homes on wheels (THOW), will allow for submittal to the State for final review and certification.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Adoption of a recommendation will not impact financial or personnel resources.

RECOMMENDATION:

It is recommended that the Planning Commission adopt a Resolution recommending the City Council adopt amendments to the accessory dwelling unit ordinance (Attachment 1).

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 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.

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Planning Commission Study Session

On August 3, 2021, the Planning Commission reviewed and commented on the proposed amendments to the city's ADU ordinance (Attachment 2). The Commission was supportive of the changes to the ordinance made to comply with state law, and the inclusion of provisions to permit tiny homes on wheels (THOW). The Commission provided the following comments to staff to consider when revising the draft ordinance:

- Modify architectural compatibility standards to be more permissive for pre-fabricated units as ADUs
- Clarify the phrase "no feasible alternative" with regards to lots that cannot accommodate an ADU in the backyard.
- Consider design standards that allow for flexibility in designs that provide light and air for THOW.

The draft ordinance for the Commission's review includes changes to the architectural compatibility provisions for both ADUs and THOW, defines the phrase "no feasible alternative" and private entries, and includes additional design standards for THOW. The draft ordinance also includes revisions to the rental terms for ADUs based on a recent clarification from the City Attorney.

ANALYSIS OF ISSUES:

Revisions to the ADU Ordinance

The draft ordinance presented to the Commission was inadvertently restrictive for permitting pre-fabricated or manufactured units as ADUs due to architectural compatibility standards. Those standards required ADUs to use the same colors and materials as the primary dwelling, which is not always feasible for pre-fabricated units. In response to the comments received from the Commission, staff clarified that the architectural compatibility standards requiring matching colors and materials is only required of ADUs either attached to the primary dwelling or created through the conversion of existing space. For example, if a garage were proposed to be converted to an ADU, the materials and colors used for the wall area replacing the removed garage door would be required to match the primary dwelling. Detached ADUs are encouraged to use similar materials and colors, but are not required to use the same materials as to not discourage the use of pre-fabricated units as ADUs.

The previously reviewed draft ordinance included a provision that encouraged ADUs to be located in the backyard, and only allowed the construction of an ADU in the front yard where "no feasible alternative" exists. Staff removed the phrase "no feasible alternative" from this standard and revised it to encourage ADU construction behind the primary dwelling. Front yard setbacks requirements are still applicable to ADU development, however front setbacks may not preclude a statewide exemption ADU and must not unduly constrain the creation of all types of ADUs.

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Short Term Rentals

Staff proposed prohibiting short term rentals (term of less than 30 days) for all ADUs created after the adoption of ordinance updates. The City Attorney clarified that state legislation only prohibits short term rentals of units created under the by-right provisions. City leadership may choose to prohibit short term rentals of all ADUs, but the draft ordinance for the Commission's consideration at this time only mirrors state legislation. For the benefit of the Commission, there are currently eighteen (18) permitted short term rentals that identify the ADU, either wholly or in part, as the rental space.

Tiny Homes on Wheels

In response to comments from the Commission and the public, staff has also revised the design standards for THOW. Language was added to Section 7 that states that THOW "shall resemble the appearance of a traditional home". Provisions for the addition of decks, patios, landings, and other similar features to THOW were added to the ordinance. Staff proposes limiting the area of these features to twenty-five percent (25%) of floor area of the living area. Standards for minimum roof pitch were also modified to allow for designs that contain features that provide increased natural light and airflow for the comfort of the occupants and reduce the reliance on electricity for ventilation and lighting. The standard prohibiting slide-out extensions or pop outs was removed from the ordinance to be more permissive of a variety of designs.

ADVANTAGES:

Amending the City's 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:

A notice of public hearing was published in the Tribune and posted at City Hall and on the City's website on August 6, 2021. The meeting 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.

Attachments:

1. Draft Resolution

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2. Minutes from the August 3, 2021 Planning Commission Meeting
3. Accessory Dwelling Unit Ordinance
4. Draft Tiny Home on Wheels Ordinance

**ACTION MINUTES
MEETING OF THE PLANNING COMMISSION
TUESDAY, AUGUST 17, 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 6:00 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

Vice Chair Schiro 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 August 3, 2021 Regular Planning Commission meeting.

Action: Vice Chair Schiro moved and Commissioner Maraviglia seconded the motion to approve the minutes of August 3, 2021.

The motion passed on the following roll-call vote:

AYES: Schiro, Maraviglia, Buchanan, Guthrie and Martin

NOES: None

ABSENT: None

8. PUBLIC HEARINGS

8.a. CONSIDERATION OF AMENDED CONDITIONAL USE PERMIT 21-002; REVISION TO A CONDITION OF APPROVAL REGARDING PARKING FOR CONDITIONAL USE PERMIT 18-005; LOCATION – 995 E. GRAND AVE; APPLICANT: GRACE CENTRAL COAST; REPRESENTATIVE – EMILY EWER, OASIS ASSOCIATES

Recommended Action: It is recommended that the Planning Commission adopt a Resolution approving Amended Conditional Use Permit 21-002.

Associate Planner Perez presented the staff report and responded to Commissioner questions regarding shared parking reductions and the process by which they are approved.

Carol Florence, representative, spoke in favor of the project and responded to Commissioner questions regarding completion of the tenant space, future parking plans and the amount of parking reduction sought.

Chair Martin opened the public hearing. Seeing no public comments, Chair Martin closed the public hearing.

Action: Commissioner Guthrie moved and Commissioner Maraviglia seconded the motion to adopt the prepared Resolution approving Amended Conditional Use Permit 21-002 with the following amendments:

1. Increase the parking reduction to a twenty percent (20%) parking reduction; and
2. Strike Condition of Approval number 30.

The motion passed on the following roll-call vote:

AYES: Guthrie, Maraviglia, Buchanan, Schiro and Martin
NOES: None
ABSENT: None

8.b. CONSIDERATION OF 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

Recommended Action: It is recommended that the Planning Commission adopt a Resolution recommending the City Council adopt amendments to the accessory dwelling unit ordinance.

Associate Planner Perez presented the staff report and responded to Commissioner questions regarding deck sizing and how the maximum square footages were determined.

Chair Martin opened the public hearing.

Joe Pollan, Central Coast Tiny Homes, thanked the Commission for the changes made to the draft Ordinance and spoke about the 3rd party inspection requirements for tiny homes.

Ariel Edgerton asked the Commission to define “by right” ADUs.

Seeing no further public comment, Chair Martin closed the public hearing.

Action: Commissioner Guthrie moved and Commissioner Maraviglia seconded the motion to adopt the prepared Resolution recommending that the City Council adopt amendments to the accessory dwelling unit ordinance with the following amendments:

1. Include language permitting extension on Tiny Homes on Wheels that allow roof pitches of 1:12; and
2. Recommend that all ADUs be ineligible to be Short Term Rentals.

After the motion received a second, the Commission discussed amending the maximum size of decks built in conjunction with tiny homes. Chair Martin suggested that decks be allowed up to 100% of the size of the tiny homes. The motion maker and the second accepted the following addition to their motion:

3. The maximum deck size for decks built around ADUs shall be no larger than 100% of the size of the tiny home.

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The motion passed on the following roll-call vote:

AYES: Guthrie, Maraviglia, Schiro and Martin

NOES: Buchanan

ABSENT: None

9. NON-PUBLIC HEARINGS

None.

10. ADMINISTRATIVE DECISIONS SINCE AUGUST 3, 2021

Case No.	Applicant	Address	Description	Action	Appeal Deadline
PPR21-010	Stephanie Burkard	117 Poole St	Establishment of a Vacation Rental and establishment of a Single Family use in an existing structure	A	8/18/21
PPR21-016	Shane Bogle	912 Dodson	Establishment of a Vacation Rental in an existing Single Family Residence	A	8/23/21
PPR21-025	Charles and Claudia Limpic	439 E Branch Street	Establishment of a Vacation Rental in an existing Single Family Residence.	A	8/23/21

Chair Martin inquired about the total number of approved short term rentals. Associate Planner Perez responded that there are approximately 73 vacation rentals and 37 homestays and that 24 applications had been received in 2021. Commissioner Buchanan spoke about the increase of vacation rental applications and that it is likely due to the increase in housing prices. Vice Chair Schiro concurred.

11. COMMISSION COMMUNICATIONS

Commissioner Buchanan thanked Chair Martin for allowing his participation in the meeting.

12. STAFF COMMUNICATIONS


Community Development Director Pedrotti informed the Commission:

1. About the Downtown Parking Advisory Board meeting that happened on August 11, 2021.
2. That the regional ADU stock plans are underway and a consultant was chosen.

13. ADJOURNMENT

The meeting adjourned at 7:33 p.m.

ATTEST:



PATRICK HOLUB

ASSISTANT PLANNER

(Approved at PC Meeting 9-7-21)



GLENN MARTIN, CHAIR

