



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Community Development Director

BY: Andrew Perez, Planning Manager

SUBJECT: Consideration of Adoption of an Ordinance Amending Title 16 of the Arroyo Grande Municipal Code Regarding Tiny Homes on Wheels and Finding the Action is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Sections 15061

DATE: November 22, 2022

SUMMARY OF ACTION:

Adopting the Ordinance will establish regulations for Tiny Homes on Wheels (THOW) Citywide.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No financial impact is projected from adoption of the proposed Ordinance. Every applicant for a THOW will be assessed fees for building permit plan review and inspections, currently set at \$1,446 based on the City's adopted Fee Schedule. In situations where new utility connections and meters are proposed, the fees would increase by \$3,691 for water service and \$3,730 for sewer service.

RECOMMENDATION:

Adopt the Ordinance establishing regulations for THOW for use as an accessory use on parcels developed with a single-family residence.

BACKGROUND:

On February 8, 2022, the City Council considered introducing amendments to the City's accessory dwelling unit (ADU) ordinance (Attachment 2). That version of the ADU ordinance included regulations that would allow for the use of THOW as an accessory use on properties with an existing single-family dwelling, with the intent of providing an alternative means to address housing supply shortages and affordability. At that meeting, the City Council directed staff to separate regulations for THOW from the ADU ordinance, research applicable building standards and certification of THOW, and return to Council for a study session to further refine those regulations.

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Council conducted an additional study session on September 13, 2022, to review the first draft of the proposed revised Ordinance (Attachment 3). The draft THOW Ordinance proposed that THOW be allowed as an accessory structure on lots developed with a single-family dwelling. Council supported the provisions of the Ordinance and directed staff to research whether there are additional agencies beyond the ones listed in the Ordinance that can approve and certify a THOW as a habitable dwelling unit. Council also directed staff to revise the Ordinance to include a prohibition of rooftop decks.

The Planning Commission reviewed the draft Ordinance at its meeting on October 4, 2022. The Commission did not direct staff to make any changes and recommended that Council adopt the Ordinance as proposed (Attachment 4). The City Council then introduced the Ordinance at its October 25, 2022 meeting as proposed.

ANALYSIS OF ISSUES:

The Ordinance is now ready for adoption. The regulations for the use of THOW will become effective thirty (30) days after adoption.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Ordinance as proposed; or
2. Modify the Ordinance and direct staff to return at a future public hearing to introduce the modified Ordinance; or
3. Provide other direction to staff.

ADVANTAGES:

The Ordinance proposes regulations for allowing THOW as an alternative housing solution that is more affordable than a traditional single-family dwelling or ADU.

DISADVANTAGES:

None identified.

ENVIRONMENTAL REVIEW:

Adoption of the Ordinance is not anticipated to have the potential for causing a significant effect on the environment and no review under the California Environmental Quality Act (CEQA) is necessary per CEQA Guideline Sections, 15061(b)(3), and Sections 15303 regarding new construction of small structures and 15305 minor alterations in land use limitations.

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PUBLIC NOTIFICATION AND COMMENTS:

A summary of the Ordinance was published in The Tribune on November 11, 2022, pursuant to State law. The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Ordinance
2. Staff Report and Minutes from the February 8, 2022 City Council Meeting
3. Staff Report and Minutes from the September 13, 2022 City Council Meeting
4. Staff Report and Minutes from the October 4, 2022 Planning Commission Meeting
5. Staff Report and Draft Minutes from the October 25, 2022 City Council Meeting