



DATE: May 7, 2019

TO: PLANNING COMMISSION

FROM: Bruce Ambo, Principal Planner (879-6801; bruce.ambo@chicoca.gov)
Kelly Murphy, Planner (879-6810; kelly.murphy@chicoca.gov)

RE: Accessory Dwelling Unit Workshop Summary and Proposed Code Amendments

SUMMARY

Since the Camp Fire, the demand for housing in Chico has become more acute in a housing market that was already experiencing a shortage and crisis of rental housing that is affordable to lower and moderate-income households. Accessory Dwelling Units (ADUs) are an increasingly attractive means of easing the housing shortage. At the direction of the City Council, the Planning Commission conducted a community workshop regarding ADUs on March 21, 2019 to discuss potential code amendments that would stimulate ADU production. In particular, the Council requested that the Planning Commission provide a recommendation on the current ADU code requirement that the property owner live on-site in either the main residence or the ADU.

This report summarizes the ADU workshop, and, based upon the feedback from the public and Planning Commission at the workshop, recommends the removal of the owner-occupancy requirement for all areas outside the SD-4 (Special Design Considerations – West Avenue Neighborhood Area) overly zone. In addition, related cleanup amendments are proposed to the ADU standards including alley setbacks.

Recommendation:

The Community Development Deputy Director recommends that the Planning Commission:

- 1) Consider the ADU workshop summary report, direct any questions to staff, and provide comments;
- 2) Hold a public hearing regarding the proposed ADU amendments to Title 19 of the Chico Municipal Code; and
- 3) Adopt Resolution No. 19-06 recommending City Council adoption of an ordinance to amend Title 19 of the Chico Municipal Code as set forth therein (**Attachment A**).

BACKGROUND

On January 2, 2019, the City Council directed that the Planning Commission consider further amendments to ADU regulations that would stimulate ADU production. The objective is to identify and reduce regulatory barriers and create incentives to stimulate ADU production. Accordingly, the Planning Commission held a community workshop where the various ADU Code amendments, permit process, and permit activity were summarized, and the community was asked to provide feedback on the owner-occupancy requirement and other regulations aimed at incentivizing ADUs. At the request of the North

Valley Property Owners Association (NVPOA), staff provided a similar presentation on April 23, 2019, where questions on ADUs were addressed and further input was received on the owner-occupancy requirement.

COMMUNITY WORKSHOP SUMMARY

On March 21, 2019, the Planning Commission held a community ADU workshop (see staff report **Attachment B**) that was well attended, included public testimony from 16 speakers, and substantive discussion and questions from the Planning Commission. In addition to community feedback on the owner-occupancy requirement, a wide variety of ADU topics were raised including questions on owner-occupancy requirements in other communities, code enforcement considerations, estimates of existing ADU housing stock, ADU permit activity, potential for grant funding, design tools, alley improvements and fees, and potential Code amendments to allow park trailers.

Owner-occupancy Deed Restriction Requirement for ADU's

The owner-occupancy requirement was determined to be the simplest Code amendment with the greatest potential to further stimulate the production of ADUs. The owner-occupancy requirements as set forth in Sections 19.19.040 and 19.76.130 of the Chico Municipal Code (CMC) reads as follows:

“Owner Occupancy. All accessory dwelling unit permits and use permits allowing an accessory dwelling unit shall be subject to the condition that either the accessory dwelling unit or the main dwelling unit must be occupied by an owner of the property. Such permits shall be further conditioned to require that each owner of the property sign a covenant acknowledging the requirement that the property be owner-occupied and that the covenant be recorded with the county recorder's office prior to the issuance of a certificate of occupancy for the accessory dwelling unit. Rental occupancy of unit shall only be on the basis of a rental agreement with a term longer than 30 days.”

Feedback at the workshop was mixed, with roughly half the people speaking in favor of removing the owner-occupancy restriction and half wanting to maintain it. Concerns cited for keeping the requirement include an ownership presence at the site that is in theory more conscientious of the maintenance of the property and aware of disturbances. Among reasons in favor of removing the requirement included the observation that homes are often rented by several different unrelated people who sign a lease, and that the restriction is an impediment to market forces that would otherwise maximize the use of the property with an ADU that would expand the range of housing opportunities. The general consensus at the NVPOA meeting was in favor of removing the owner-occupancy requirement.

DISCUSSION

Survey of Owner-Occupancy Requirements in Other Cities and Counties

Staff conducted a survey of other cities and counties to see if they had an ADU owner-occupancy requirement. The results were roughly split among the surveyed jurisdictions with seven (7) requiring owner-occupancy, and nine (9) that do not. The following jurisdictions were surveyed:

<u>City or County</u>	<u>Owner-Occupancy Requirement</u>
1. Arcata	No
2. Berkeley	Yes
3. Butte County	Yes
4. Corte Madera	Yes
5. Davis	No
6. Eureka	No
7. Mendocino County	No
8. Redding	Yes
9. Sacramento – City	No
10. Sacramento – County	No
11. San Luis Obispo	No
12. San Mateo - City	Yes
13. San Mateo – County	No
14. Santa Cruz	Yes
15. Santa Rosa	Yes
16. Ukiah	No

SD-4 Special Design Considerations Overlay Zone

The City Council adopted the SD-4 Special Design Considerations Overlay Zone (West Avenues Neighborhood Area) in June 2003 (please see SD-4 Overlay Zone Map, **Attachment C**). Within the SD-4 overlay, there are numerous pockets of deficient infrastructure (lacking curb, gutter, sidewalk, shoulder paving, storm drainage, street lighting, and paved alleys) and it was determined that a concentration of ADUs and multi-housing developments have the potential to create or exacerbate traffic impacts, which could compromise the health, safety and livability of this area and exceed the reasonable carrying capacity of the existing infrastructure. As a result, a use permit is required for any ADUs within the SD-4 overlay zone to allow the review of ADU applications on a case-by-case basis with site-specific information.

Of the public comments received regarding the owner-occupancy deed restriction, a majority of those opposed to removing the requirement were property owners and residents living in the SD-4 overlay area. Taking into consideration the area's infrastructure issues, proximity to public facilities (i.e., Chico State University, Chico High School and Enloe Medical Center) and the consensus of the neighborhood, staff believes the owner-

occupancy deed restriction and use permit requirement are appropriate for residential properties in the SD-4 overlay zone.

ADU Code Enforcement

Questions were raised on the level of compliance with regard to the owner-occupancy requirement, including whether there were areas with higher concentrations and/or estimates on the number of unpermitted/illegal ADUs. In the City of Chico, code enforcement is generally complaint-driven. The majority of code enforcement complaints are resolved by requiring individuals to obtain the necessary planning and building permit approvals, or ceasing the unpermitted use. There have been very few ADU complaints in the past 10 years. In the few cases where enforcement of the owner-occupancy requirement has occurred, compliance has been lax, recognizing that the tenant would be out of a home and that housing would be taken off the market. Instead, the core issue of the complaint is addressed (e.g., noise, trash, etc.). Code enforcement staff does not have any estimates on the number of unpermitted ADUs, but surmise that areas close to California State University, Chico probably have a higher concentration of ADUs than other areas.

ADU Housing Stock

To obtain a more accurate projection of the number of ADUs existing in the City, staff consulted with the GIS Department. When land use entitlements are approved, the permit number is assigned to the subject parcel and saved as an informational layer in the GIS database. Historically, ADUs have been approved via Use Permit (UP), Second Dwelling Unit (SDU) Permit, or Accessory Dwelling Unit (ADU) Permit. To identify the number of units, three separate GIS queries were made for UP, SDU and ADU. The resulting data is summarized below.

61	Use Permits (1990 – present)
60	Second Dwelling Unit Permits (2003 through 2017)
8	<u>Accessory Dwelling Unit Permits (2018 – present)</u>
129	<i>Total Number of Permitted ADUs existing in the City</i>

Prior to 2003, accessory dwelling units were allowed by right in certain zoning districts, meaning there would be no record of permitting. Furthermore, large portions of the community have been incorporated into the City through annexations, which also means that ADUs in those areas have not been included. However, when new residential units are built and assigned an address, they are integrated into the GIS database. When a single-family residential land use already exists on the property, the property is categorized using land use code 1013 “SFR with a 2nd unit”. A query of the land use data revealed approximately 340 total properties having a second/accessory dwelling unit, of which approximately 40-percent went through the permitting process.

While this data is helpful in determining the City’s total ADU housing stock, it does not encompass illegal second units. Staff consulted with Code Enforcement for an estimate on the number of dwelling units constructed or converted without a permit. An exact

number could not be determined; however, it was estimated that the 340 permitted ADUs represent less than 30-percent of the total existing ADU housing stock. The County Assessor's Office was contacted but could not provide any additional information to inform this estimate.

ADU Permit Activity

In recognition of the housing crisis (pre -Camp Fire) the City Council reduced the ADU development impact fees (DIF) by 50% in 2018. Following the Camp Fire, the Council acted on several key incentives to further stimulate ADU production which included: 1) temporary reducing fees another 50% for 1-year (25% of original fee), and 2) eliminating sidewalk requirements (where there was no connection to complete on both sides). These actions have proven to be successful and are effectively working to stimulate ADU production. For example, since the beginning of 2019 there has been an average of at least one ADU submitted each week, and within the past two months 3 to 5 ADU applications have been submitted each week. This year alone 25 ADU applications have been submitted, and if this trend continues there will over 80 ADU applications submitted this year. If the owner-occupancy requirement is eliminated it is likely to stimulate even more ADU production.

ADU Alley Improvements and Fees

The City's alley improvement program is modest at best, with this year's annual allocation of approximately \$61,000. Almost all alleys are unpaved, and the maintenance is minimal with grading, leveling and filling of potholes when absolutely necessary. The current alley maintenance fee is approximately \$25.44/linear foot of alley frontage. For more detailed information on the alley maintenance program please refer to the email from Erik Gustafson, Public Works Director (**Attachment D**). Given these limited resources, the overall condition of the alleys is certain to continue to decline and will accelerate over time.

Grant Funding Opportunities

Questions were raised about the possibility of obtaining grant funding or disaster recovery funds as working capital for an ADU loan program. Staff continues to look for potential grant funding sources, but is also mindful of the substantial administrative costs, expenses, and limited benefits in addressing affordable housing needs in such a program. Staff has also confirmed that disaster recovery funding can only be used by those individuals living in areas directly impacted by the Camp Fire. However, a sizable portion of the ADU marketing materials (video, booklet handout, prototype plans, webpage upgrades, etc.) are proposed to be acquired with the SB 2 (Building Homes and Jobs Act) planning grant funds.

ENVIROMENTAL REVIEW

The proposed Title 19 amendments will implement Housing Element Actions, create consistency with policy direction in the General Plan, and address direction provided by Council to identify refinements that will improve efficiency in implementation of the Code.

The amendments do not propose any construction, demolition, or other activity that has the potential to negatively impact the environment. The amendments would not result in an increase in development beyond that which was analyzed in the Final Environmental Impact Report (EIR) prepared and certified for the Chico 2030 General Plan update (State Clearinghouse #2008122038). In accordance with CEQA Guidelines Section 15162, the proposed amendments are within the scope of the EIR that was certified for the General Plan.

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ATTACHMENTS

- A. Resolution No. 19-06
 - Exhibit I Title 19 – Owner Occupancy
 - Exhibit II Title 19 – ADUs
 - Exhibit III Title 19 – Special Design Overlay Zone
- B. 03/21/19 Planning Commission Staff Report on ADU Community Workshop
- C. SD-4 Overlay Zone Map
- D. 03/26/19 Email from Erik Gustafson, Public Works Director on Alley Maintenance

RESOLUTION NO. 19-06

**RESOLUTION OF PLANNING COMMISSION OF THE CITY OF
CHICO RECOMMENDING CITY COUNCIL APPROVAL OF
AMENDMENTS TO THE ACCESSORY DWELING UNIT
PROVISIONS IN CHAPTER 19.19 AND SECTION 19.76.130 IN TITLE
19 OF THE CHICO MUNICIPAL CODE (LAND USE AND
DEVELOPMENT REGULATIONS).**

(City of Chico)

WHEREAS, the Camp Fire of November 2018 destroyed over 153,000 acres and burned over 18,000 structures in Butte County, resulting in a large displacement of residents from the Town of Paradise and other surrounding communities; and

WHEREAS, the Chico City Council, prior to the Camp Fire, previously found that the City of Chico is experiencing a housing crisis; and

WHEREAS, the extreme number of housing units damaged in the Town of Paradise and the surrounding area increases the pressure on housing demand and shortage in Chico by several orders of magnitude; and

WHEREAS, the destruction of housing units exacerbates the pressure of persons who lived and worked in the Town of Paradise, and those who will be working to restore the viability of the Town of Paradise, to relocate to other housing far from their home due to the housing shortage; and

WHEREAS, the proposed Accessory Dwelling Unit (ADU) Code amendments would reduce barriers to ADU production on while preserving ownership protections in the SD-4 (Special Design Considerations – West Avenue Neighborhood Area); and

WHEREAS, the proposed ADU Code amendments would not result in an increase in development beyond that which was analyzed in the Final Environmental Impact Report (EIR) prepared and certified for the Chico 2030 General Plan update (State Clearinghouse #2008122038). The proposed amendments represent a refinement of the General Plan adoption

1 process, and in accordance with California Environmental Quality Act Guidelines Section 15162
2 are within the scope of the EIR.


3
4 NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Chico as
5 follows:

- 6 1. The Planning Commission determines:
 - 7 A. The proposed amendments are consistent with the General Plan; and
 - 8 B. The proposed amendments are consistent with other applicable provisions of
 - 9 the Municipal Code and compatible with the uses authorized in the applicable
 - 10 zoning districts for which it is proposed.
- 11 2. The Planning Commission recommends that the City Council approved the amendments
- 12 to the Chico Municipal Code as set forth in Exhibits I, II and III.

13 THE FOREGOING RESOLUTION was adopted by the Planning Commission of the
14 City of Chico at its meeting held on the 16th day of May 2019, by the following vote:

- 15
- 16 AYES:
- 17 NOES:
- 18 ABSENT:
- 19 ABSTAIN:
- 20 DISQUALIFIED:

21
22 ATTEST:
23
24 _____
25 Bruce Ambo, Planning Commission Secretary

APPROVED AS TO FORM:


Andrew Jared, Assistant City Attorney*

26 *Pursuant to The Charter of the City of Chico, Section 906(E)
27
28

Exhibit I

Chico, CA Code of Ordinances

19.76.130 Accessory dwelling units.

The following definitions, permit requirements, owner occupancy requirements and development standards shall apply to accessory dwelling units.

A. Definitions. In addition to the definitions set forth in Chapter 19.04, the following words and phrases shall have the following meanings respectively ascribed to them in this section.

1. "Accessory dwelling unit" means an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel the single-family dwelling is situated. An accessory dwelling unit also includes the following:

- a. An efficiency unit as defined in Section 17958.1 of the Health and Safety Code.
- b. A manufactured home as defined in Section 18007 of the Health and Safety Code.

2. "Living area" means the interior habitable area of a dwelling unit, including conditioned basements and attics but not including a garage or any accessory structure.

3. "Main dwelling" means the dwelling unit on the property that is not an accessory dwelling unit.

4. "Public transit" means a transit stop served by at least one publicly provided form of transportation.

B. Permit requirements. In the event any conflict should arise between the provisions within this Section and Title 19 of the Chico Municipal Code, the strictest application of the regulations shall apply.

1. Accessory dwelling unit permits. Where a single-family dwelling unit is a permitted use, as set forth in Table 4-2, and a proposed accessory dwelling unit complies with all of the development standards of this section, an accessory dwelling unit shall be pursuant to Chapter 19.19.

2. Use permits. A use permit is required for an accessory dwelling proposed to be located in the SD-4 overlay district. The following findings, in addition to those otherwise required for a use permit by Chapter 19.24, must be made to approve a use permit for an accessory dwelling unit:

a. The occupancy of the accessory dwelling unit will not result in excessive noise or traffic that would disturb the existing neighborhood.

b. The occupancy of the accessory dwelling unit will not have a significant adverse effect on public services or resources.

c. The design of the accessory dwelling unit is compatible with the design of the main dwelling unit and the surrounding neighborhood in terms of size, exterior treatment, height, landscaping, scale and site coverage.

~~C. Owner Occupancy. All accessory dwelling unit permits and use permits allowing an accessory dwelling unit shall be subject to the condition that either the accessory dwelling unit or the main dwelling unit must be occupied by an owner of the property. Such permits shall be further conditioned to require that each owner of the property sign a covenant acknowledging the requirement that the property be owner occupied and that the covenant be recorded with the county recorder's office prior to the issuance of a certificate of occupancy for the accessory dwelling unit. Rental occupancy of unit shall only be on the basis of a rental agreement with a term longer than 30 days.~~

D. Development Standards.

1. One accessory dwelling unit per parcel. No more than one accessory dwelling unit shall be allowed on any parcel.

2. Attached or detached. An accessory dwelling unit may be either attached to or detached from the main dwelling unit.

3. Maximum size of accessory dwelling units. The maximum square footage for an accessory dwelling unit shall be as follows:

a. 75 percent of the living area up to a maximum of 650 sq. ft. for lots up to 4,500 sq. ft.

b. 75 percent of the living area up to a maximum of 850 sq. ft. for lots between 4,501 sq. ft. up to 6,000 sq. ft.

c. 75 percent of the living area up to a maximum of 1,200 sq. ft. may be permitted on lots over 6,000 sq. ft.

Exhibit I

4. Building height shall be limited as follows: New attached additions shall be the same as the main unit at a maximum of 35 feet. New detached accessory dwelling units shall be a maximum of 25 feet.

5. Lot coverage shall be as follows:

- a. 50 percent single story main housing unit.
- b. 40 percent multi-story main housing unit.
- c. 50 percent in R1-10, and R1-20.

6. Accessory dwelling unit setbacks shall be as follows:

a. No setback shall be required for an existing garage that is converted to an accessory dwelling unit.

b. A 5-foot rear and 3-foot side setback shall be required for an accessory dwelling unit constructed above a garage.

c. When a detached accessory dwelling unit is located to the side or rear of a main dwelling unit, the units shall be separated by a minimum of 8 feet.

d. When an accessory dwelling unit is adjacent to an alley and constitutes a second story on a garage which has less than a 5-foot setback, the rear yard setback for the accessory dwelling unit shall be the same as the existing setback for the garage.

e. When an accessory dwelling unit is adjacent to an alley a 5-foot setback shall be provided from the alley.

7. Trash storage. The accessory dwelling unit shall be provided with an outdoor area for the storage of trash and recycling receptacles. That area shall have an all-weather surface and be screened from view by a fence, wall or permanent landscaping.

8. Security lighting. Accessory dwelling units located adjacent to an alley shall have a minimum of one outdoor security light for illumination of the alleyway adjacent to the unit. Such lighting shall be shielded and directed downward and away from adjacent properties to ensure that it has a minimal impact on neighboring properties.

9. Walls or fences between units. When an accessory dwelling unit is located behind a main dwelling unit, a continuous fence or wall shall not be installed between the main and accessory dwelling units unless it includes a gate allowing pedestrian access from the accessory dwelling unit to the street.

10. Vehicle access. Vehicle access to a second unit may be from a street or an alley.

a. Alley access. When an accessory dwelling unit will be located on a site served by an alley, the accessory dwelling unit shall maintain its primary vehicular access from the alley. Such alley access shall be improved per city standards or alternatively, an in-lieu fee paid. Accessory dwelling units located on the street-access terminus of alleys shall be sited to ensure adequate site distance clearance.

b. Vehicle access from street frontage. Driveway surfaces installed to provide vehicle access from a street to a second dwelling unit located on the rear of a parcel shall be constructed with permeable-surface, all-weather materials or shall otherwise be constructed to retain runoff on site. New driveways that extend beyond the rear of the main dwelling unit shall consist of two tire strips or be otherwise designed to be of permeable-surface, all-weather material.

11. Pedestrian access to accessory unit.

a. Accessory dwelling units with primary vehicle access from an alley shall also be served with a permeable-surface, all-weather walkway connecting the accessory dwelling unit with the street frontage. The driveway for the main dwelling unit may serve as a portion of this walkway.

b. Accessory units created within an existing single-family residence shall include an independent exterior access that is separate from the exterior entrance of the existing residence and complies with the minimum side and rear setbacks for fire safety.

12. Fire protection access. Accessory dwelling units not located adjacent to an alley shall be located so that all sides of the structure are within 150 feet of unobstructed access from the street frontage in order to provide adequate fire protection. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the main residence.

13. Parking. In addition to the parking required for the main dwelling unit, one parking space shall be required for each second dwelling unit.

- a. Parking spaces for the accessory dwelling unit and the main residence may be provided in a tandem

Exhibit I

parking arrangement on an existing driveway.

b. Off street parking shall be permitted in setback areas as set forth in CMC 19.70.060, or through tandem parking, unless specific findings are made that parking in the setback areas or tandem parking is not feasible based upon specific site or fire and life safety conditions.

c. When a garage, carport or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit, those off-street replacement spaces may be located in any configuration on the same lot as the accessory dwelling unit, including but not limited to, as covered spaces, uncovered spaces, or tandem spaces.

14. Parking exceptions. Parking shall not be required for the accessory dwelling unit in any of the following instances:

a. The accessory dwelling unit is located within one-half mile of public transit;

b. The accessory dwelling unit is located within an architecturally and historically significant historic district;

c. The accessory dwelling unit is part of the existing main residence or an existing accessory structure;

d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit;

e. When there is a car share vehicle located within one block of the accessory dwelling unit.

15. Architectural design. Accessory dwelling units shall comply with the following design standards:

a. The accessory dwelling unit shall be architecturally compatible with the main dwelling unit or the immediate neighborhood. Compatibility includes coordination of exterior colors, materials, roofing, other architectural features and landscaping.

b. The accessory dwelling unit shall be compatible with the scale of adjoining residences and blend into the existing neighborhood.

c. All HV AC or other mechanical units shall be placed so they are not in public view or shall be screened from public view by a fence, wall or permanent landscaping.

d. Second story windows or doors shall be designed to lessen privacy impacts on adjacent properties. Acceptable techniques to meet this criteria include obscured glazing, window placement at least six feet above floor level and permanent landscaping of sufficient height.

(Ord. 2263; Ord. 2280; Ord. 2325, Ord. 2358 §20; Ord. 2364 §400; Ord. 2397 §15, Ord. 2439 §189, Ord. 2494 §55; Ord. 2511 §§ 2, 3)

Chapter 19.19

ACCESSORY DWELLING UNIT PERMITS

Section:

19.19.010 Applicability.

19.19.020 Application.

19.19.030 Action on accessory dwelling unit permits.

19.19.040 Owner occupancy requirements.

19.19.010 Applicability.

An accessory dwelling unit permit shall be required prior to the development or occupancy for residential purposes of an accessory dwelling unit on any parcel on which a second unit is a permitted use.

(Ord. 2263, Ord. 2511)

19.19.020 Application.

An application for an accessory dwelling unit permit shall be filed with the department on a form prescribed by the director and shall include all information necessary to allow the director to determine if the proposed accessory dwelling unit will comply with the development standards for accessory dwelling units set forth in section 19.76.130 or in Division VI of this title, as applicable.

(Ord. 2263, Ord. 2358 §4, Ord. 2364 §387, Ord. 2511, §8)

19.19.030 Action on accessory dwelling unit permits.

Upon review of a completed application for an accessory dwelling unit permit, the director shall issue a permit if the director determines that the proposed accessory dwelling unit complies with all of the development standards set forth in section 19.76.130 or in Division VI of this title. Accessory dwelling unit permits shall be approved or denied in writing. All denials shall state the reasons for the denial. Reasons for denial shall be limited to a finding by the director that the proposed accessory dwelling unit is not permitted in the applicable zoning district with an accessory dwelling unit permit or that the accessory dwelling unit does not comply with one or more of the requirements of section 19.76.130 or in Division VI of this title, as applicable.

(Ord. 2263, Ord. 2358 §5), Ord. 2364 §388, Ord. 2511, §9)

~~**19.19.040 Owner occupancy requirement.**~~

~~—All accessory dwelling unit permits shall be subject to the condition that either the accessory dwelling unit or the primary dwelling unit must be occupied by an owner of the property. Such permits shall be further conditioned to require that each owner of the property sign a covenant acknowledging the requirement that the property be owner-occupied and that the covenant be recorded with the county recorder's office prior to the issuance of a certificate of occupancy for the accessory dwelling unit. Rental occupancy of either the main dwelling unit and the accessory dwelling unit shall only be on a rental agreement with a term longer than 30 days.~~

(Ord. 2358 §6, Ord. 2511, §10)

Exhibit III

Chico, CA Code of Ordinances

19.52.070 Special Design considerations (-SD) overlay zone.

A. Purpose. The -SD overlay zone is intended for areas of the City where the General Plan has highlighted existing neighborhood characteristics, environmental features, or other concerns that require special attention in project design.

B. Applicability. The -SD overlay zone may be applied to specific, defined areas where special-purpose limitations on land use, permit requirements, or development standards are needed. The -SD overlay zone includes the specific subcategories identified in Subsection D, following.

C. Allowed Land Uses. Any land use normally allowed in the primary zoning district by this article may be allowed within the -SD overlay zone, except where otherwise limited by this section.

D. Specific Area Permit Requirements and Development Standards. Development and new land uses within the -SD overlay zone shall obtain the land use entitlements as required by the primary zoning district, except as otherwise provided in this subsection, and shall comply with all applicable development standards of the primary zoning district, and the following requirements.

1. SD-1 (South Chico - South of Entler Avenue).

a. Permit Requirement. Planned development permit approval (Chapter 19.28) is required for all uses.

b. Clustering Required. Manufacturing/industrial development in the area west and east of State Highway Route 99 south of Entler Avenue shall be clustered to preserve existing riparian habitats and to reduce impacts to Butte Creek.

c. Tree Preservation Required. The existing cottonwood and native oak stands located west of State Highway Route 99 and along the south edge of this area shall be preserved to the extent feasible.

2. SD-2 (Humboldt Road-Foothill).

a. Permit Requirement. Planned development permit approval (Chapter 19.28) is required for all uses.

b. Development Standards. Proposed projects shall:

(1) Minimize the visual impact of foothill development through the following measures:

(a) Transfer and cluster development to lower elevations of the site and cluster development at higher elevations to the least visible areas;

(b) Reduce the scale and mass of structures through split level and low profile design. Limit building heights in foothill areas to 25 feet, unless visual simulations or other graphic representations can verify that greater building height will not negatively impact the viewshed;

(c) Use low-level pedestrian-scale street lighting;

(d) Avoid the use of high illumination yard lighting or shield sources to prevent off-site glare;

(e) Blend development into the natural setting through attention to topography and orientation, color, materials;

(f) Incorporate street standards that minimize cut and fill and result in the lowest visual impact;

(2) Provide a minimum 50-foot setback from State Highway Route 32 and prepare and implement a landscape enhancement plan for the setback area and the adjacent Caltrans right-of-way. The plan shall use vegetation native to the area and an irrigation system designed to temporarily provide water through the plant establishment period;

(3) Preserve and improve multi-use access and trails along Humboldt Road and provide connection to other paths and trails within projects north and south of Humboldt Road;

(4) Preserve the existing historic rock wall;

(5) Reduce wildland fire potential through the following:

(a) Construct buildings and roofs from fire-resistant materials;

(b) Landscape with native fire-resistant plant materials;

(c) Provide multi-use access and trails, streets, and open space areas as opportunities for emergency access and fire breaks;

(d) Ensure that street grades and other facilities designed for emergency access do not exceed City maximums;

(e) Locate buildings for maximum clearance from areas of dense native vegetation; and

Exhibit III

(6) Incorporate best management practices for storm water run-off and first flush treatment of storm water. Proposed projects in areas tributary to Little Chico and Comanche Creeks shall be designed to provide no net increase in peak storm water run-off.

3. SD-3 (Foothill Park East, South of Eaton Road)

a. Permit Requirement. Architectural Review and Historic Preservation Board approval (Chapter 19.18) is required for multi-family residential development.

b. Development Standards.

(1) Density shall not be less than 10 units per gross acre.

(2) Design shall be consistent with the Master Design Manual for Foothill Park East.

(3) The project shall incorporate low profile lighting for reduced glare on adjacent properties.

(4) For the parcel east of Marigold Avenue and identified as APN 016-200- 102, the Architectural Review and Historic Preservation Board shall require a pedestrian/equestrian path within or adjacent to the public utility easement along the southern property boundary with access to the south. Alternatively, the ARHPB shall waive this requirement if a path is already provided at that proximate location, or if the improvement is determined to be infeasible.

4. SD-4 (West Avenue Neighborhood Area). A use permit is required for all accessory dwelling units.

a. Owner occupancy requirement.

Use permits required for accessory dwelling units in the SD-4 overlay zone shall be subject to the condition that either the accessory dwelling unit or the primary dwelling unit must be occupied by an owner of the property. Such permits shall be further conditioned to require that each owner of the property sign a covenant acknowledging the requirement that the property be owner- occupied and that the covenant be recorded with the county recorder's office prior to the issuance of a certificate of occupancy for the accessory dwelling unit. Rental occupancy of either the main dwelling unit and the accessory dwelling unit shall only be on a rental agreement with a term longer than 30 days.

5. SD-5 (Westside Place & Vrisimo; Three Parcels on the North side of State Highway Route 32/Nord Avenue between W. 8th Avenue and W. Lindo Avenue)

a. Permit Requirement. Planned development permit (PDP) approval (Chapter 19.28) is required for all developments.

b. Development Standards. To ensure appropriate safety, environmental, and aesthetic requirements of the local community given the site's location between a public highway and the railroad tracks, future developments shall include the following design concepts:

(1) Overall minimum residential density on each of the three parcels shall be 9 units per gross acre.

(2) A mix of housing types and appropriately designed commercial and/or live-work buildings along the railroad tracks to provide an adequate noise buffer for adjacent residential uses.

(3) Multi-family units shall be limited to buildings of modest scale with architectural details similar to neighboring detached houses.

(4) Street and pedestrian connections shall be provided between adjacent developments.

(5) A side drive with a landscaped parkway strip shall be incorporated between the development and Nord Avenue/State Highway Route 32.

(6) Off-street parking shall primarily be provided off an alley or common driveway. Parking off a front yard shall be designed so that the building creates the dominant visual appearance along the street.

6. SD-6 (Chapman/Mulberry Neighborhood)

a. Development shall be consistent with the Chapman/Mulberry Neighborhood Plan adopted by the city council.

b. The following land uses are not permitted within the CN zone: retail liquor stores, gas stations, automobile sales and vehicle repair and maintenance.

c. The following design standards shall apply to the development of single- family residences:

(1) Front yard setbacks shall be consistent with the average of the existing front yard setback of adjoining parcels, but in no case less than fifteen (15) feet or greater than thirty (30) feet.

(2) Front entries for all single-family residences shall be oriented toward the street. This

Exhibit III

requirement shall not apply to accessory dwelling units located on the rear of a parcel which have primary access from an alley.

(3) Garages shall be set back at least ten (10) feet from the front edge of the dwelling. Garages located in rear yards are encouraged. Detached, single-story garages shall be set back at least five (5) feet from the rear property line.

(4) All single-family dwellings shall include a front porch with minimum dimensions of four feet by eight feet.

(5) Front yard fences are permitted only when they are of an open, not solid, design. Front yard landscaping shall not obscure views of the street or adjoining neighbors.

(6) One new tree, 15 gallons or greater in size, shall be planted in the front yard of each new single-family residence, as a condition of the building permit for such residence. The species of tree planted shall be selected from the list "Recommended Street Trees for Chico" maintained by the City.

d. The following design standards shall apply to the development of multi-family dwellings:

(1) Parking lots shall primarily be located in the rear or side area of the parcel or in the interior of a building cluster and shall be screened from view from the street by vegetation or fencing that is no more than four feet in height. No parking lots shall be located within the required front or side set back area.

(2) All multi-family buildings located within 40 feet of a front lot line shall be oriented to the street frontage. The main entrance of ground floor units located within 40 feet of a street must face the front lot line. Main entrances may be to either individual units, clusters of units or common lobbies or courtyards. Main entrances for multi-family residences on corner lots may be oriented toward either street frontage, or toward the corner.

(3) Pedestrian walkways shall be provided from street sidewalks to the front entrance of each multi-family dwelling unit.

e. It shall be a condition of the development of any new commercial or industrial use located on property which abuts residentially zoned property, that an 8 foot masonry wall be constructed between the new commercial or industrial use and the residentially zoned property. Such wall shall be constructed on the property on which the new commercial or industrial use is located and shall include landscaping along the side of the wall facing the residentially zoned property. Earthen landscape berms with a wall may be utilized to meet this requirement.

f. A nonconforming commercial or industrial use shall not be expanded, enlarged, or extended. If a structure used for a nonconforming commercial or industrial use is destroyed or demolished, regardless of cause, or the nonconforming use thereof is abandoned for six months or more, or is converted to or replaced by a conforming use, the right to continue the nonconforming use therein shall cease.

g. Nonconforming uses shall be amortized as follows:

(1) Nonconforming commercial and industrial uses which were located in the City prior to the date of the City's adoption of the Chapman/Mulberry Neighborhood Plan on October 5, 2004, shall be amortized and terminated no later than December 31, 2014.

(2) Nonconforming commercial and industrial uses which are annexed into the City after adoption of the Chapman/Mulberry Neighborhood Plan on October 5, 2004, and which were nonconforming prior to annexation pursuant to the land use regulations of Butte County, shall be amortized and terminated no later than three years after the date the property on which the use is located is annexed into the City. Requests to extend the time period by which such a nonconforming use must terminate may be made to the planning commission and may be granted only for good cause upon consideration of the following factors.

a. The total cost of the property and lawfully installed or constructed improvements.

b. The depreciated value of the property.

c. The remaining useful life of the improvements.

d. The original length and remaining term of the lease, if any, under which the premises is occupied.

e. The percentage of the business conducted on the premises compared to the percentage conducted elsewhere.

f. The cost of moving and reestablishing the business elsewhere.

Exhibit III

g. The nature and extent of efforts made by the owner or operator of the nonconforming use to relocate and/or reestablish the use in a properly zoned location.

h. The nature of the nonconforming use, as compared to the character of the surrounding neighborhood.

i. The harm to the public if the use remains beyond the amortization period.

j. The feasibility of converting the use of the premises to an allowed use or a use allowed with a use permit.

k. Other related factors.

Extension requests must be submitted no later than two years before the date the nonconforming use is required to be terminated. Such applications shall be on a form approved by the director and must include the information pertaining to all of the above factors which the applicant believes are applicable to the request. The Planning Commission shall act on all requests for an extension after holding a public hearing and may condition any extension granted as it deems necessary to reduce impacts from the nonconforming use on the surrounding neighborhood. The public hearing shall be noticed and held in the same manner as public hearings for use permits.

For properties on which a nonconforming commercial or industrial use exists at the time they annexed into the City, extension requests must be submitted no later than one year after the date that the property is annexed into the City. Such applications shall be on a form approved by the director and must include the information pertaining to all of the above factors which the applicant believes are applicable to the request. The Planning Commission shall act on all requests for an extension after holding a public hearing and may condition any extension granted as it deems necessary to reduce impacts from the nonconforming use on the surrounding neighborhood. The public hearing shall be noticed and held in the same manner as public hearings for use permits.

(3) Nothing in this paragraph g. shall preclude the conversion of a nonconforming use to a lawful use if: 1) the nonconforming use could be permitted with a use permit; 2) a use permit is obtained; and 3) the use is thereafter conducted in conformance with the terms and conditions of the use permit and all applicable provisions of this code.

7. SD-7 (Cactus Avenue)

a. The following design standards shall apply to all new development:

(1) Street connectivity shall be provided between developments consistent with Community Design Element policies of the General Plan, including provisions for connections to Cactus Avenue and Arch Way. Vehicular access onto Cactus Avenue shall only be allowed at such time that Cactus Avenue is improved between the access point to Cactus Avenue and East Avenue.

(2) Lots fronting Cactus Avenue shall have a minimum lot size of 10,000 square feet.

(3) Homes fronting Cactus Avenue shall be oriented to face Cactus Avenue and may have driveways onto Cactus Avenue.

(4) Buildings on parcels fronting Eaton Road shall face Eaton Road, unless otherwise provided by Planned Development Permit, and shall address potential noise concerns with measures that avoid the use of sound walls.

(5) Low-level street lighting shall be utilized to maintain the rural atmosphere of the area.

(6) All future subdivision applications shall require a Planned Development Permit.

8. SD-8 (Southwest Chico Neighborhood)

a. The following design standards shall apply to the construction of new single-family residences and/or accessory structures:

(1) Front yard setbacks shall be consistent with the average of the existing front yard setback of adjoining parcels, but in no case less than fifteen (15) feet or greater than thirty (30) feet.

(2) Front entries for all new single-family residences shall be oriented toward the street.

(3) Garages shall be set back at least ten (10) feet from the front edge of the dwelling. Garages located in rear yards are encouraged. Detached, single-story garages shall be set back at least five (5) feet from the rear property line.

(4) All new single-family dwellings shall include a covered front porch with a minimum area of

Exhibit III

forty (40) square feet.

(5) Front yard fences are permitted only when they are of an open, not solid, design. Front yard landscaping shall not obscure the views of the street or adjoining neighbors.

(6) One new tree, fifteen (15) gallons or greater in size, shall be planted in an existing parkway strip of each new single-family residence as a condition of the building permit for such residence, if no tree already exists. The species of tree planted shall be selected from the list "Recommended Street Trees for Chico" maintained by the City Urban Forest Manager, and installed in accordance with Standard Plan LS-1 in Title 18R.

(Ord. 2185; Ord. 2222; Ord. 2263; Ord. 2301 §4; Ord. 2306; Ord. 2328, Ord. 2346, Ord. 2427 §42, Ord. 2429 Ord. 2435 §30, Ord. 2439 §179, Ord. 2440 §34, Ord. 2511, §11)



DATE: March 21, 2019

TO: PLANNING COMMISSION

FROM: Brendan Vieg, CDD Deputy Director (879-6806; brendan.vieg@chicoca.gov)
Bruce Ambo, Principal Planner (879-6801; bruce.ambo@chicoca.gov)
Kelly Murphy, Planner (879-6535; kelly.murphy@chicoca.gov)

RE: Accessory Dwelling Units | Workshop

PURPOSE

The availability and affordability of housing in California has been a topic on the forefront of State legislative discussion for the past several years. New and amended State housing laws have necessitated amendments to local regulations, specifically for Accessory Dwelling Units (ADUs). The discussion below summarizes actions taken by the Chico City Council related to ADU fees and development standards, as well as the events that precipitated such changes.

Per Council direction to staff, the workshop will provide an opportunity to discuss previous actions taken to stimulate the production of ADUs and determine whether additional amendments to the standards would be helpful in stimulating ADU production. The purpose of this workshop is to hear from the community and Planning Commission on ordinance improvements that might stimulate ADU production. No action is to be taken at this meeting as it is a community workshop to discuss potential ideas and/or solutions.

Staff will return to the Planning Commission with a summary of the workshop and present recommendations for further consideration. Staff will then return to the City Council with the Planning Commission's recommendation.

BACKGROUND

Council Action in Response to State Legislation

On March 20, 2018, the Chico City Council comprehensively amended the Accessory Dwelling Unit (ADU) regulations for consistency with the State housing law. These amendments were mandated by changes to State housing laws made in 2016 and 2017 and included several areas of regulation, with specific emphasis on vehicle parking, conversion of an existing space to a new ADU, rental restrictions on ADUs, utility fees, and fire sprinkler requirements (see **Attachment A**, ADU Chronology). The State ADU laws limited or most of the potential development constraints including parking requirements and fees and mandated that ADUs be approved administratively. As a result of these amendments, the City saw a slight increase in ADU permit activity between 2017 and 2018 (see **Attachment B**, ADU Permit Activity).

Additional State legislation for ADUs was proposed in 2018 (3 different bills) but was not adopted. However, ADUs as a source of market-rate affordable housing remain a prime target for further State legislative action. With the State providing funding to communities

for planning activities that streamline housing production (SB 2), it is highly likely additional housing legislation including more changes to ADU laws are forthcoming in 2019.

Development Impact Fee Reductions

On October 16, 2018, the City Council reduced the development impact fees (DIF) for ADUs by 50% in recognition of the reduced impacts of these smaller units to public services. The DIF for ADUs that was previously \$12,129 was reduced to \$6,064.50. In response to the Camp Fire, the Council further reduced the ADU fee by 50-percent at their December 2018 meeting for a period of one year. The temporary fee reduction lowered the DIF to \$3,032.25, approximately 25-percent of the original fee. Other permit application fees still apply, including building plan check and inspection, sewer application, and address assignment which totals about \$3,344 (for a 1,200 square foot ADU).

Another noteworthy change to ADU requirements made by Council in March 2019 in response to the Camp Fire housing shortage was an amendment to CMC Section 14.14.050 "Exemptions from public improvements and public right-of-way requirement" clarifying that the sidewalk requirement does not apply for new ADUs of less than 1,000 square feet and eliminating the sidewalk requirement where sidewalks do not exist to provide a connection on both sides of the subject parcel for a proposed ADU.

Per the direction of the Council to consider further amendments to ADU regulations that would stimulate ADU production, staff prepared and presented a report at Council's January 2, 2019 meeting which provided additional details on ADU program options, code amendment processes, and other potential actions for Council consideration. To further reduce barriers and create additional incentives to stimulate ADU housing production, staff identified several potential issue areas. Below is a summary of those options and Council's direction:

- Eliminating the owner occupancy requirement;
Action: Planning Commission to provide recommendation to Council.
- Establishing an amnesty program for existing nonconforming ADUs;
Action: To be implemented by staff.
- Developing an affordability covenant where an affordable ADU rent level would be maintained for a certain period (perhaps 10 years) in exchange for further fee relief or waivers;
Action: Not a priority to be pursued at this time given that the City has limited additional incentives to offer.
- Creating a revolving loan program or alternate loan program or financing mechanism to finance ADU construction loans;
Action: Staff to review potential funding opportunities.
- Facilitating ADU design with prototype plans and interactive resources;
Action: Staff to develop program when funding becomes available from the State.

WORKSHOP DISCUSSION

The development standards for ADUs as well as a summary of the permit process have been included for reference as attachments to this report (see **Attachment C**, Accessory Dwelling Unit Application Packet and **Attachment D**, ADUs Frequently Asked Questions). The Planning Commission may discuss any of the items highlighted in this report or present new ideas for consideration. However, Council's specific direction was for the Commission to review and provide possible amendments to the City's ADU regulations in Title 19, with an emphasis on the owner-occupancy requirement.

Below are key items of discussion:

Owner-occupancy deed restriction requirement for ADU's

Of the discussion items bulleted above, the owner-occupancy requirement was determined to be the simplest amendment with the greatest potential to further stimulate the production of ADUs. Staff recommends discussion of the owner-occupancy requirement as set forth in Section 19.76.130 of the Chico Municipal Code (CMC) below.

19.76.130 Accessory Dwelling Units

- C. Owner Occupancy. All accessory dwelling unit permits and use permits allowing an accessory dwelling unit shall be subject to the condition that either the accessory dwelling unit or the main dwelling unit must be occupied by an owner of the property. Such permits shall be further conditioned to require that each owner of the property sign a covenant acknowledging the requirement that the property be owner-occupied and that the covenant be recorded with the county recorder's office prior to the issuance of a certificate of occupancy for the accessory dwelling unit. Rental occupancy of unit shall only be on the basis of a rental agreement with a term longer than 30 days.

The Planning Commission should consider both the potential benefits and issues that could result from elimination of this requirement (see Pros and Cons Table below). There is a concern that without an ownership presence at the property, tenants may not be as considerate of neighbors or property maintenance as the property owner. However, it is also a possibility that the State legislature could act to remove the owner-occupancy requirement, as it has been a target of past legislative changes to ADU regulations.

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none">• Stimulate the construction of new ADUs• Make available existing ADUs where owners do not live onsite• Make the ADU permitting process more efficient by not requiring the owner occupancy deed restriction	<ul style="list-style-type: none">• Neighborhoods could become more renter-based as opposed to owner occupied• Tenants may not be as responsible for property maintenance or as considerate to neighbors as a present property owner.

ADU Restrictions in the SD-4 Overlay Zone

During Council discussion on the ADU topic, it was noted that certain neighborhoods may be more protective of property ownership due to existing parking problems and inadequate infrastructure. For instance, the SD-4 (West Avenue Neighborhood Area) Overlay Zone requires Use Permit approval for an ADU due to special design considerations in the neighborhood. It is important to note that if the owner-occupancy requirement is eliminated from the City's ADU regulations, it may be necessary to include the owner-occupancy requirement in the SD-4 overlay.

UPCOMING FUNDING OPPORTUNITIES

The State Housing and Community Development Department will be accepting applications for grant funds for local planning improvements to facilitate housing and affordable housing projects later this Spring. These funds are anticipated to be released to entitlement communities, which includes Chico, in Summer 2019. Reimbursable work can then begin on housing ordinances. However, the City can and is moving forward on these housing fronts at the City's expense which will be partially offset with future grant funds.

CONCLUSION

The City has made extensive changes to the requirements for ADUs since 2017, as detailed above. As a result, ADU permit activity tripled in 2018 from the previous year. It is anticipated that the number of applications for ADU permits will continue to incrementally rise through the remainder of the year as DIFs are at an all-time low. Staff is requesting that the Planning Commission consider and discuss the previous amendments to the standards and provide direction to staff for any additional amendments to be drafted.

Recommendation:

The Community Development Deputy Director recommends that the Planning Commission:

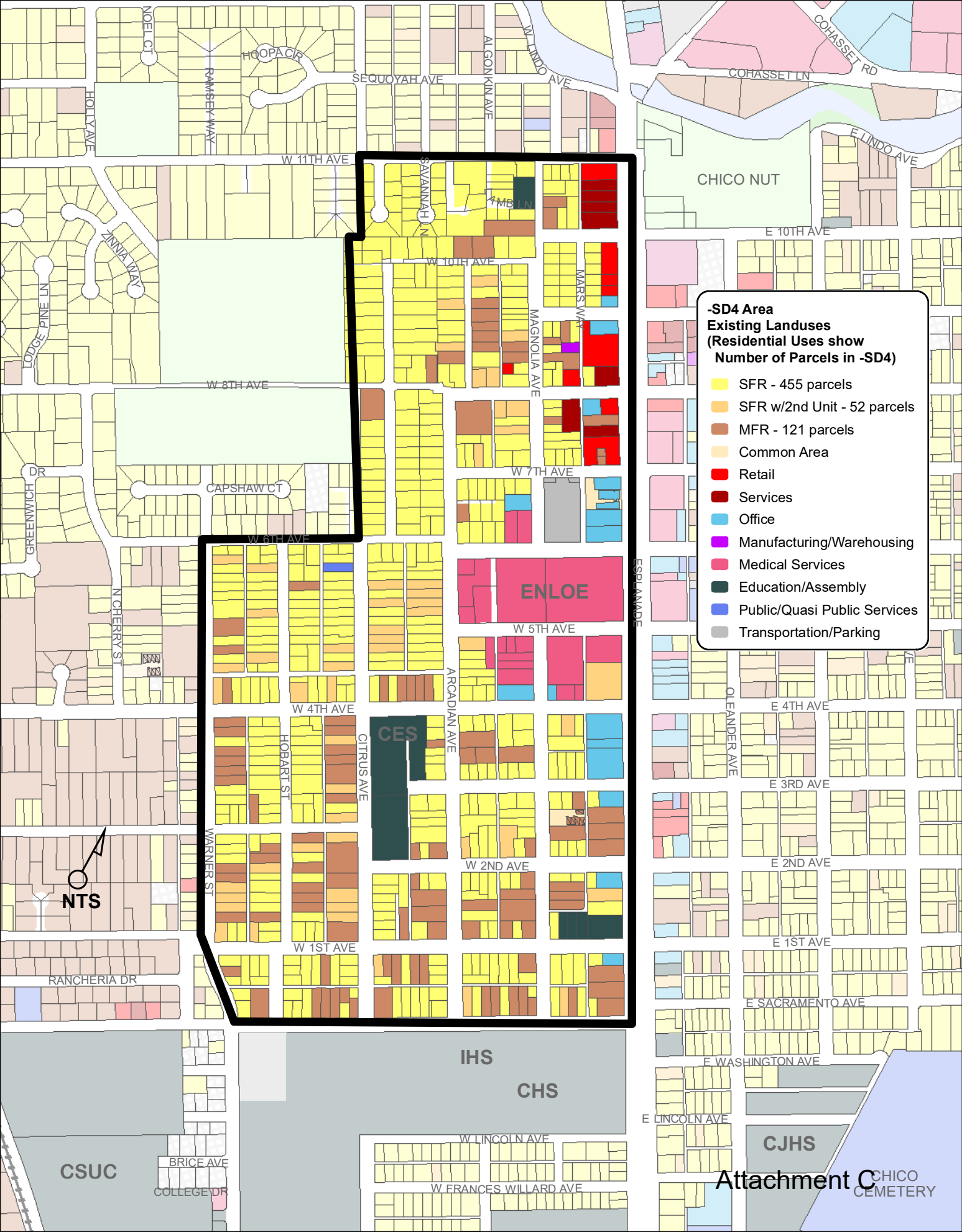
1. Provide direction to staff regarding amendments to the City's ADU regulations as set forth in CMC 19.76.130, with a specific emphasis on the owner-occupancy requirement.

DISTRIBUTION

PC Distribution
PP Vieg

ATTACHMENTS

- A. ADU Chronology
- B. ADU Permit Activity
- C. ADU Application Packet including Development Standards (CMC 19.76.130)
- D. ADUs FAQ's
- E. Public Comments



-SD4 Area
Existing Landuses
(Residential Uses show
Number of Parcels in -SD4)

- SFR - 455 parcels
- SFR w/2nd Unit - 52 parcels
- MFR - 121 parcels
- Common Area
- Retail
- Services
- Office
- Manufacturing/Warehousing
- Medical Services
- Education/Assembly
- Public/Quasi Public Services
- Transportation/Parking

NTS

From: Erik Gustafson
Sent: Tuesday, March 26, 2019 9:56 AM
To: Matt Johnson <matt.johnson@Chicoca.gov>; Bruce Ambo <bruce.ambo@Chicoca.gov>
Cc: Brendan Ottoboni <brendan.ottoboni@Chicoca.gov>; Skyler Lipski <skyler.lipski@Chicoca.gov>
Subject: RE: Planning Commission - ADU Workshop

Hi Matt & Bruce-

In confirming with Skyler, we spend about \$61,000 per year repairing alleys. This is illustrated in the table below and includes labor, materials, and \$24,691 in equipment costs using CalTrans rental rates.

Worker Class	Regular Hours	\$/Hr	OT Hours	\$/Hr OT	Total Cost
FIELD SUPERVISOR		\$ 55.91	0	\$ 55.83	\$ -
SR MAINT WORKER	320	\$ 44.31	0	\$ 43.03	\$ 14,179.20
MAINT WORKER	320	\$ 38.57	0	\$ 36.71	\$ 12,342.40
MAINT AIDE		\$ 32.68		\$ 30.20	\$ -
Grand Total	640		0		\$ 26,521.60
Item	Subtotal Cost				
Labor	\$ 26,521.60				
Equipment	\$ 24,691.20				
Materials	\$ 10,000.00				
Other					
Total	\$ 61,212.80				

The level of service has been a topic of internal discussion over the last year or two. Historically, staff would deploy the “cadillac treatment” including vegetation removal or tree trimming, blade removal of mud/debris, add new base material, grade and roller compact. The result was fantastic however, we only repaired about 10 alleys per year. With a growing service requests for alleys and shoulders reaching 100 we’ve had to re-think our deployment model. Skyler initiated staff to only perform the minimum required maintenance such as grade the existing surface and only add material when absolutely needed. Staff will still remove tree branches that are blocking the ROW, but the level of detail is minimal. We’ve increased the number of alleys repaired annually to 30 – 40 and spend about 20 working days performing the work each year.

To increase the quantity of alleys maintained we’re at a point where additional staff is needed. When all three street sweepers are deployed we’re typically left with just enough staff to deploy two crews to perform maintenance such as pot holes and storm drains. If only an incremental amount of funding is added for alley maintenance it might be best to contract that amount out (\$20K - \$30K). Maintenance worker staff are about \$68K annually fully burdened. It’s also worth noting before the

Campfire, we expected alley impacts to reduce due to the waste hauler franchise. Refuse trucks are the largest impacts to alleys so with a 50% reduction in trips we should expect a reduced amount of required maintenance.

Let's chat if more information or strategizing is needed. Thanks,



Erik Gustafson

City of Chico | Public Works Director – Operations
(530) 894-4202 Office - (530) 895-2634 Fax

[Website](#) | [Contact Us](#)



From: Matt Johnson

Sent: Monday, March 25, 2019 8:08 AM

To: Erik Gustafson <erik.gustafson@Chicoca.gov>

Cc: Bruce Ambo <bruce.ambo@Chicoca.gov>; Brendan Ottoboni <brendan.ottoboni@Chicoca.gov>

Subject: Planning Commission - ADU Workshop

Erik

At its 3/21 meeting, the PC held a workshop regarding changes to and proposed changes to the City's ADU regulations in order to forward recommendations onto the City Council. Speakers and Commission members alike noted the poor condition of the City's alleys as a number of ADU's use the alleys as their primary access. I told Bruce the level of alley maintenance is a function of the budget process and I would contact you for assistance with this matter. Can you assist Bruce in determining what level of budgeting and/or efforts are to be expected on an annual basis. Thanks.



The following comments and ideas for the ADU Ordinance Amendments have been received and included in the record of correspondence.

From: [Steve Canterbury](#)
To: [Bruce Ambo](#)
Cc: [Kelly Murphy](#); [Tony Lindsey](#); [Stephanie Lawson](#)
Subject: Re: ADU's
Date: Tuesday, May 7, 2019 3:09:50 PM

Hi Bruce,

I understand your position, but believe you don't have the full story.

In the information Bulletin 2016-01 dated May 9, 2016 from HCD, it also says "Unless otherwise allowed by a local ordinance, PTs generally may be occupied only in mobilehome parks or special occupancy parks ...". The key to this is local ordinances can allow these homes to be used as permanent housing.

I believe there are some assumptions made here regarding quality that are not true. Unlike a 5th wheel or other RV, these homes are typically built in manufactured home facilities, utilizing the same building materials as a manufactured home. A few examples are 2x4 exterior walls (can be 2x6), cement siding, fiberglass insulation, 1/2" sheet rock throughout, full size appliances, 30 year architectural shingles, and bathrooms with 47" showers and real flush toilets (vs the plastic pump type of typical RV's). Our homes even come with granite counter tops standard! Most of the components of these homes can be found in the finest stick built homes around town, as well as manufactured homes. These are not rinky dink trailers!

Before you make a decision to exclude these homes, I would request that you and others come to my office (please by appointment as I'm in and out a lot) and see for yourself what these homes are all about. Mayor Stone did just that and was very impressed. He agreed with me that these homes should be included in the ADU program. Please feel free to contact him for his opinion.

Park Model homes are lived in year round in RV & Mobilehome parks throughout California, Arizona, Oregon and many other states. Additionally, most other states allow them to be used as primary or secondary homes on private property for year round living. They are built to a high standard using quality products.

I believe you owe it to the citizens of Chico to come take a look before discarding this valuable addition to the ADU program. Come with an open mind and I believe you will leave very impressed. What do you have to lose by doing some more research?

Sincerely,

Steve Canterbury

Canterbury Cabins
15 Commerce Ct, Suite 100
Chico, CA 95928
530-899-3336
530-966-1675 cell
www.canterburycabins.com
steve@canterburycabins.com

On Tue, May 7, 2019 at 10:49 AM Bruce Ambo <bruce.ambo@chicoca.gov> wrote:

Hello Steve,

As you know, the California Department of Housing and Community Development classifies these as “park trailers” that are “designed as temporary living quarters for recreational or seasonal use only, and not as a year-round or permanent dwelling” underline added. Accordingly these structures are designed to a standard where they “may only be transported upon the public highways with a permit issued pursuant to Vehicle Code Section 35780.” Therefore, staff is not recommending that these structures be allowed as permanent year round housing due to the inherent design limitations that are gauged to recreational vehicles.

Regards

Bruce Ambo, AICP

Principal Planner

City of Chico, Community Development

530/879-6801

411 Main Street, Chico, CA 95928

PO Box 3420, Chico, CA 95927



<http://www.ci.chico.ca.us/>

From: Steve Canterbury <stevecanterbury@gmail.com>
Sent: Tuesday, May 07, 2019 10:02 AM
To: Bruce Ambo <bruce.ambo@Chicoca.gov>
Cc: Kelly Murphy <Kelly.murphy@Chicoca.gov>; Tony Lindsey <tony.lindsey@Chicoca.gov>
Subject: Re: ADU's

Good Morning,

I just reviewed the ordinance amendments for the ADU ordinance that will be discussed Thursday, May 15. I noticed there is nothing about Park Model Homes being allowed as a part of this ordinance. I'm rather surprised as the Park Models provide a much needed housing solution in terms of ease, price, financing and options. Is there a way we can get this added to the proposed ordinance changes?

Thanks, Steve

Steve Canterbury

Canterbury Cabins

15 Commerce Ct, Suite 100

Chico, CA 95928

530-899-3336

530-966-1675 cell

www.canterburycabins.com

steve@canterburycabins.com

On Fri, Apr 19, 2019 at 10:38 AM Steve Canterbury <stevecanterbury@gmail.com> wrote:

Good Morning,

I don't know of any area in California that has opened up their ADU program to Park Models. I'm guessing there are some, but am not aware of them.

What I do know is the Park Models are built in the same factory as manufactured homes with basically the same construction. They are built under the ANSI code instead of HUD or UBC. They use the same concrete siding, wiring, plumbing, sheet rock, appliances, etc as a manufactured home. As I understand it, they were originally designed to go into RV parks in Arizona and Florida to accommodate the snow birds. In Arizona, they are widely accepted as permanent housing on real property (my parents have had a couple of Park Models on lots in the Yuma area).

Since placing a model home here in Chico to assist Camp Fire Survivors with temporary housing, there has been an overwhelming interest in placing these homes on private property as an ADU. Not everyone wants a large manufactured home in their backyard and as you know most tiny homes are not built to acceptable codes. Park Models are built to code with inspections performed during the building process and sign off prior to delivery.

Affordability is another huge factor. Our homes have a base price of \$46-\$49,000 dollars. By the time some options are added, freight, sales tax & registration and set up, the final project will probably fall between \$70-\$80,000. These homes are just under 400 sq. ft. At the Planning Commission Meeting discussing ADU's, a builder talked about his product starting around 225 sq ft and \$125,000 +.

Another huge plus for the consumer is ease of design. We have a booklet (attached) with prices, floor plans and options to make the design very easy. We walk them through the process, they order the home and a few months later it is delivered. If the site is prepared in advance, the home will just take a few days from the time it arrives until ready for occupancy. We also have a couple of good options for financing.

As I read the letter from HCD, it seems to me that a simple statement in the ADU ordinance could read something like "Park Model Homes built under ANSI code A119.5 and NFPA 1192 standards that are certified by the manufacturer with a label of approval, such as those provided by RVIA are acceptable under the City of Chico ADU program" would suffice.

I truly believe Chico can be the leader in this area, helping to ease the housing crunch in an affordable and relatively easy manor. I'm quite certain other communities will see the value in these homes and follow along.

I have a model home at my office here in Chico. I would love to have any or all of you come by and take a look, I'm sure you will be impressed. I'm in and out of my office a lot, so please contact me prior to coming over so I can be sure to be available.

Any questions, let me know.

Sincerely, Steve

Steve Canterbury

Canterbury Cabins

15 Commerce Ct, Suite 100

Chico, CA 95928

530-899-3336

530-966-1675 cell

www.canterburycabins.com

steve@canterburycabins.com

On Wed, Apr 17, 2019 at 3:50 PM Bruce Ambo <bruce.ambo@chicoca.gov> wrote:

Hi Steve,

Thanks for your good ideas. Can you please provide a sample zoning ordinance from a California community that has implemented a similar approach to allow park trailers as a permanent living environment and any associated building code amendments that were used to implement the ordinance program. This information would be really helpful in getting an idea on how such a program was successfully implemented in California.

Thanks – Bruce

Bruce Ambo, AICP

Principal Planner

City of Chico, Community Development

530/879-6801

411 Main Street, Chico, CA 95928

PO Box 3420, Chico, CA 95927



<http://www.ci.chico.ca.us/>

From: Steve Canterbury <stevecanterbury@gmail.com>
Sent: Wednesday, April 17, 2019 11:08 AM
To: Bruce Ambo <bruce.ambo@Chicoca.gov>; Kelly Murphy <Kelly.murphy@Chicoca.gov>
Subject: ADU's

Good Morning Bruce & Kelly,

Just following up on the Planning Commission meeting with the ADU hearing. As expressed at the meeting, we have a lot of interest in our Park Model Homes to be used as permanent ADU's in the City of Chico. Mayor Stone has visited our model home and agreed they should be included. I assume it was at his direction that I have been included in the notices about this issue.

The State of California Housing & Community Affairs department sent a letter to the Chico Building Department that was forwarded to me by Tony Lindsay (copy attached) which basically says Park Model Trailers are not for permanent use except by local ordinance. If we can just get verbiage in an ordinance that allows them, the citizens of Chico will have an affordable, easy solution to the ADU situation, along with the other options.

I do have a model here at my office is you would like to see for yourself how nice they are. Please set up a time to visit if you would like as I'm out of the office quite a bit and wouldn't want to miss you.

Anything I can do to help, please let me know.

Steve Canterbury

Canterbury Cabins

15 Commerce Ct, Suite 100

Chico, CA 95928

530-899-3336

530-966-1675 cell

www.canterburycabins.com

steve@canterburycabins.com

From: [Bruce Ambo](#)
To: [Jennette Medeiros](#)
Cc: [Stephanie Lawson](#); [Kelly Murphy](#)
Subject: RE: Accessory Dwelling Units in Chico
Date: Wednesday, May 1, 2019 1:55:19 PM

Hello Ms. Medeiros,

I completely understand your situation. We have not been able to identify a funding source for an ADU loan program. We are still actively looking for funding and partnership opportunities to establish working capital to fund the loan program, and administer the affordability requirements and loan process. The incentives we have thus far identified involved eliminating constraints to getting approval to build an ADU and reducing fees. The Planning Commission will be discussing ordinance amendments that would further eliminate ADU regulatory constraints on Thursday, May 16, 2019 at 6:00 p.m. The staff report for the meeting will be available by Thursday, May 9th on the City's website, and I encourage you to participate in the process.

Regards

Bruce Ambo, AICP

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<http://www.ci.chico.ca.us/>

From: Jennette Medeiros <jennette.medeiros@gmail.com>
Sent: Wednesday, May 01, 2019 1:20 PM
To: Bruce Ambo <bruce.ambo@Chicoca.gov>
Subject: Accessory Dwelling Units in Chico

Good afternoon,

I had heard there may be funding assistance coming available for homeowners that want to add

accessory dwelling units in Chico. Is that still a possibility on the table to encourage affordable housing and add more available housing space? I ask because I have an existing detached garage that I would love to add a bathroom and kitchenette too and rent out to Campfire survivors, but I do not have the funds to remodel at this time. I think it would be a great idea to have funding available in exchange for signing an agreement to rent out an ADU as low income housing for a specific time period.

Please let me know if there are any incentives coming available regarding the encouragement of ADU's in Chico.

Thank you,
Jennette Medeiros