

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning and Building Director
DATE: December 6, 2016
SUBJECT: **Potential Zoning Code Amendments and Fee Revisions Related to Accessory Dwelling Units**

APPROVAL FOR FORWARDING



 Dylan Feik, City Manager

1 **ISSUE:** Initiation of Zoning Code amendments to revise its regulations regarding
 2 accessory dwelling units and potential revisions to associated fees

3 **RECOMMENDATIONS:**

- 4 1. Direct staff to prepare and process Zoning Code amendments that revise the
 5 regulations for accessory dwelling units (currently called "second dwelling units"
 6 in the Zoning Code)
- 7 2. Direct staff to initiate revisions to water/sewer connection charges charged for
 8 accessory dwelling units
- 9 3. Consider directing revisions to impact fees charged for accessory dwelling units

10 **BACKGROUND:** Current state law requires the city to allow the development of
 11 second dwelling units, defined as an independent living unit that is subordinate to the
 12 main dwelling on a lot. Calistoga Municipal Code Title 17, Zoning, allows second
 13 dwelling units as a permitted use in the Rural Residential, One-Family Residential and
 14 Two-Family Residential Zoning Districts. They are allowed by use permit in the Rural
 15 Residential-Hillside Zoning District. CMC Chapter 17.37 prescribes permit requirements,
 16 general provisions and design standards for second dwelling units (Attachment 1) that
 17 conform to current state law.

18 At the beginning of 2015, the City adopted numerous Zoning Code revisions to facilitate
 19 the development of accessory dwelling units, such as eliminating the requirements that
 20 the property owner occupy one of the dwellings, and that detached accessory dwelling

21 units comply with the same setback requirements as primary structures. Furthermore,
22 the Standardized Use Table for the Resource Management System was revised to
23 reduce water and wastewater usage figures for accessory dwelling units, because the
24 Code limits them to one bedroom and 750 square feet in size, thereby resulting in lower
25 water and wastewater demands than for a typical apartment or condominium. Despite
26 these measures, there has been no change in the number of accessory dwelling units
27 typically constructed annually.

28 Recent state legislation¹ that will take effect on January 1, 2017 is intended to further
29 reduce barriers, streamline approval and expand capacity to accommodate the
30 development statewide of the newly re-named “accessory dwelling units”.

31 **DISCUSSION:** Accessory dwelling units may be created on a lot with an existing
32 single-family dwelling unit in two primary ways:

- 33 • New construction:
 - 34 - The construction of a structure to house an ADU that is separate from the
 - 35 main single-family dwelling unit
 - 36 - The construction of an addition to a single-family dwelling to house an ADU
- 37 • The conversion of existing space:
 - 38 - The conversion of an existing accessory structure
 - 39 - The conversion of a portion of an existing single-family dwelling

40 A number of Zoning Code amendments and revisions to water and sewer connection
41 charges are required as a result of the new legislation. The Council may also consider
42 additional amendments and impact fee revisions.

43 **Zoning Code Provisions**

- 44 • Required revisions

45 The following Zoning Code amendments are required in response to the new state
46 law.

- 47 1. Change all Zoning Code references from “second dwelling unit” to “accessory
48 dwelling unit.”
- 49 2. Delete the use permit requirement for ADUs in the RR-H Zoning District. All
50 ADUs must now be approved ministerially and may not be subject to a
51 discretionary review process.
- 52 3. Add the following general provisions to Chapter 17.37:
 - 53 a. Limit the increased floor area of an attached ADU created through new
54 construction to a maximum of 50 percent of the existing living area.
 - 55 b. No setback shall be required for an existing garage that is converted to an
56 ADU.

¹ SB 1069 and AB 2299, codified in Govt. Code Section 65852.2 (in part)

- 57 c. A setback of no more than five feet from the side and rear lot lines shall be
58 required for an ADU that is constructed above a garage.
- 59 4. Modify Chapter 17.36, Off-Street Parking and Loading to:
- 60 a. Allow a tandem parking arrangement where parking required for the existing
61 dwelling has been displaced by the creation of an ADU (such as through a
62 garage conversion)
- 63 b. Waive the requirement for one additional parking space for an ADU that is:
- 64 - Located within one-half mile of public transit, and/or
65 - Created through the conversion of part of the existing primary residence or
66 an existing accessory structure

67 • Potential revisions

68 The Council may wish to consider additional Zoning Code amendments to facilitate
69 the development of ADUs.

70 A. Minimum ADU size Eliminating a specific minimum ADU size, which is currently
71 300 square feet, would allow the creation of smaller units such as “tiny houses.”
72 (The Building Code would be used instead to determine the legally-acceptable
73 minimum.) Staff does not recommend increasing the maximum size above the
74 current 750 square feet and/or one bedroom in order to limit potential impacts on
75 utilities, public services and parking.

76 B. ADU parking Allowing a Zoning Code-required parking space to be located on
77 an existing driveway, within required setbacks and/or through a tandem
78 arrangement would remove a major impediment to the creation of such units.
79 The Council could also consider waiving the one-space parking requirement for
80 all accessory dwelling units.

81 C. Rental requirement Requiring that an ADU be rented on a long-term basis if the
82 City cannot impose connection fees (see below) would ensure that the city’s
83 rental housing stock is actually increased and that the ADU is not used as a
84 short-term vacation rental or guest house. A monitoring system would have to be
85 established to ensure compliance with this requirement.

86 **Water and sewer service connection fee revisions**

87 • Required revisions

88 Where an ADU is created through the conversion of space within an existing
89 structure (primary or accessory), the new state law prohibits the City from requiring
90 the installation of a new or separate utility connection between the ADU and the
91 utility, or imposing a related connection fee.

92 • Potential revisions

93 As described above, the City reduced water and sewer connection fees for ADUs in
94 2015 to a total cost of approximately \$22,000, compared to an approximate cost of
95 \$40,000 for a one- to three-bedroom single-family dwelling unit.

96 The Council may wish to consider the following revisions to connection fees to
97 further facilitate the development of accessory dwelling units.

- 98 A. Allow the connection fees to be paid over time, such as a 24-month period.
- 99 B. Subsidize part or all of the connection fees if the property owner agrees to 1) rent
100 the ADU, 2) deed-restrict its occupancy to a qualifying household, 3) charge an
101 affordable rent and 4) pay the Housing Authority's annual monitoring fee. Income
102 limits could be stipulated (e.g., low-income or median income) based on
103 household size.

104 **Development impact fee revisions**

105 Similar to the reduced connection fees adopted in 2015, the Council may wish to reduce
106 the development impact fees charged for an ADU, based on the assumption that its
107 smaller household generates lower demands on City services.

108 The following potential fee reductions are based on an assumed average ADU
109 household size of 1.5 persons, compared to an average of 2.7 persons in a single-
110 family dwelling. Total impact fees for an ADU would be reduced by approximately
111 \$10,000.

112 Potential ADU Development Impact Fee Reductions

Fee	Current Impact Fee	Potential Reduction
City Administrative	\$2,772.37	\$1,538.67
Cultural/Recreational	\$6,400.02	\$3,552.01
Fire	\$2,335.59	\$1,296.25
Police	\$620.74	\$344.51
Transportation	\$10,178.28	\$5,648.95
Totals	\$22,307.00	\$12,380.39

113 **CONSISTENCY WITH COUNCIL GOALS AND OBJECTIVES:** Promoting the
114 development of ADUs would be in conformance with Goal 7, Objective 2 of the City
115 Council's goals and objectives for Fiscal Year 2016-17, which calls for expanding
116 housing opportunities, including workforce housing.

117 **FISCAL IMPACTS:** The water and wastewater operating enterprise funds will receive
118 less revenue due to the ADU connection fee exemptions dictated by the new state law.
119 City funding would be required to subsidize part or all of an ADU's connection fees

120 under the circumstances outlined above. Lower levels of development impact fees
121 would be collected if reduced fees are adopted for ADUs.

ATTACHMENTS:

1. Existing CMC Chapter 17.37, Second Dwelling Units
2. Govt. Code Section 65852.2