



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JUNE 8, 2021

**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**THROUGH:** COURTNEY GROSSMAN, PLANNING MANAGER

**BY:** JILL MILLER, SENIOR PLANNER

**TITLE:** ZONING CODE AMENDMENT 2021-002; AN ORDINANCE TO ELIMINATE THE MAXIMUM NUMBER OF HOME OCCUPATIONS PERMITTED PER DWELLING UNIT

### **RECOMMENDED MOTION:**

A motion to adopt an ordinance amending Section 37-50.100 (Home Occupations) of Chapter 37 of the Salinas Municipal Code (Zoning Code) to eliminate the maximum number of home occupations permitted per dwelling unit.

### **RECOMMENDATION:**

Find Zoning Code Amendment 2021-002 Categorically Exempt from the California Environmental Quality Act (CEQA) and adopt an ordinance amending the Zoning Code to eliminate the maximum number of home occupations permitted per dwelling unit.

### **EXECUTIVE SUMMARY:**

Currently, the Salinas Zoning Code allows home based business, but limits the number of Home Occupation Permits to a maximum of two per dwelling unit. The proposed Zoning Code Amendment would continue to permit home occupations within dwelling units under the current operating standards but would eliminate the provision restricting the maximum number of home occupations dwelling unit.

### **BACKGROUND:**

Section 37-50.100 of the Zoning Code provides standards by which home occupations shall operate and requires issuance of a Home Occupation Permit (HOP) for each home-based business. The current regulations limit the number of HOP's to two per dwelling unit.

On March 17, 2020, the County of Monterey issued a Shelter-in-Place Order, effective March 18, 2020 in response to the Covid-19 (Novel Coronavirus) pandemic. The pandemic has caused high unemployment rates and hardships threatening community and economic health and resulted in an increased need to work from home. Zoning provisions allowing home-based business operations provide small business and business startups to develop with low overhead costs. As such, inquiries from the public have increased regarding HOP issuance and regulations.

#### DISCUSSION:

Chapter 37, Article V, Division 1 provides permit regulations and operating standards for establishing home occupations. Generally, the regulations are intended to ensure that the residential character of neighborhoods is not compromised with the business operations. Current regulations include a limit a of two HOP's per dwelling unit.

In response to the increased public desire for more flexibility in regard to the number of businesses that may be permitted by HOP in the City of Salinas, staff researched the surrounding and similar jurisdictions' zoning requirements related to home-based businesses to identify if there is an "industry standard" in terms of the number of businesses allowed per dwelling unit. Jurisdiction research is summarized in the table below.

<b>Jurisdiction</b>	<b>Number of HOP's Allowed per Dwelling Unit</b>
Monterey	Two
Watsonville	One
Seaside	No limit
Oxnard	No limit
Modesto	No limit
Pasadena	No limit
Visalia	No limit
Santa Cruz	No limit

The research indicates that most jurisdictions do not limit the number of home businesses that may be permitted in a dwelling unit.

The proposed amendment is consistent with the Salinas General Plan and other plans and policies adopted by the Salinas City Council and would not result in uses inconsistent with any land use designation. All other regulations pertaining to home occupations would remain in force and effect which will maintain a mechanism for staff to review home occupations to ensure the peace, enjoyment and character of residential neighborhoods will not be compromised with this amendment.

The amendment is consistent with multiple provisions of the Land Use Element and Economic Development Element of the General Plan including Policy LU 1.1, which states "achieve a balance of land uses to provide for a range of housing, jobs, libraries, and educational and recreational facilities that allow residents to live, work, shop, learn, and play in the community". The amendment would allow more flexibility in establishing home based business within existing

dwelling units, encourage business development in the City of Salinas with low overhead for small business startups, meet the needs of the public during the pandemic, and would promote a greater mixture of uses. The amendment is consistent with General Plan Policy LU-1.4 which encourages traditional neighborhood development (TND) with a balanced mix of uses including mixed uses to help reduce vehicular trips.

The amendment is consistent with the Economic Development Element (EDE) of the General Plan including Goal ED-LU-1, which states "promote economic development through focused land use planning, target circulation and infrastructure improvements, and expanded resource availability". The amendment is anticipated to further allow small businesses and startups to use their residence as a resource for their business development/expansion.

This amendment falls under EDE Action 1.1.3 which requires periodic review of economic development activities to determine optimum form and function of economic development efforts. The amendment would reduce restrictions on small businesses and responds to the financial hardship the pandemic has caused.

Finally, the amendment is consistent with EDE Policy ED-LU-1.16 which encourages increased flexibility of Zoning Code standards and regulations to accommodate the types of economic development activity desired by the City and increases permit issuance capacity at the administrative level.

Findings in support of the amendment are incorporated in the attached ordinance.

#### Planning Commission Review

On April 21, 2021, the Planning Commission considered the amendment at a duly noticed public hearing. No public comments were received. The Commission voted (6-0) to recommend that the City Council adopt the ordinance. The April 21, 2021 Planning Commission meeting minutes are attached herein.

#### CEQA CONSIDERATION:

The environmental impacts of the project have been analyzed in accordance with the California Environmental Quality Act (CEQA). The proposed Zoning Code Amendment is categorically exempt (Class 5) from further environmental analysis per CEQA Guidelines Section 15305 (Minor Alterations in Land Use Limitations). The project is also exempt per CEQA Guidelines Section 15061(b)(3). This exemption is allowed when the activity, in this case the adoption of an ordinance, does not have the potential for causing a significant effect on the environment.

#### STRATEGIC PLAN INITIATIVE:

The amendment supports City Council's goal of New Revenue by providing flexibility in establishing home-based business to incubate and accelerate small business development resulting in increased business license revenue.

DEPARTMENTAL COORDINATION:

The proposed amendment has been coordinated with Current Planning, Legal and City Manager's office. The Legal Department provided critical review of the proposed ordinance revisions.

FISCAL AND SUSTAINABILITY IMPACT:

No significant impacts to the City's General Fund are anticipated with the application. The amendment may prompt increase in business license tax revenue.

ATTACHMENTS:

Draft City Council Ordinance  
Planning Commission Staff Report Dated April 21, 2021  
Planning Commission Resolution 2021-10  
Unofficial Planning Commission Minutes for April 21, 2021