



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 30, 2017

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: MAUREEN TAMURI AIA, AICP
COMMUNITY DEVELOPMENT DIRECTOR**

**TOM BARTLETT AICP
CITY PLANNER**

**SUBJECT: DISCUSSION OF REVENUE-GENERATING ACTIVITIES ASSOCIATED
WITH SINGLE-FAMILY HOMES, AND DIRECTION TO STAFF**

MEETING

DATE: NOVEMBER 8, 2017

SUMMARY RECOMMENDATION:

That the City Council discuss revenue-generating activities associated with single-family homes, and provide direction to Staff.

BACKGROUND:

Staff frequently responds to inquiries or complaints involving the use of private single-family residences for revenue generating purposes. State and City codes allow property owners to use their homes for limited revenue-generating purposes provided that the activities maintain the primary use of the home as a private residence.

The Municipal Code identifies which activities may occur without a permit, and which require a review process and permits for the activity. This report provides an overview of the current state and local code standards, as well as new business trends which are being more frequently encountered, especially as code

enforcement violations. Staff is requesting that the Council receives and discusses this report, and provides direction to Staff regarding their desired level of restrictions to accessory residential uses. If amendments to the code are desired, Staff will return with revised code language for Council consideration.

DISCUSSION/ANALYSIS:

From a review of the Development Code, revenue-generating activities associated with single-family homes can be organized into three primary categories: A) those that are allowed without a permit; B) uses which require permits; and, C) prohibited uses.

A. Allowed Revenue-generating Activities Without a Permit.

Two activities are allowed, without the need to obtain a permit, in the Residential, Single-Family (RS) Zone:

- 1) Garage Sales – (CMC17.12.165.D - Residential accessory uses and structures). The Code permits residents to conduct up to 4 sales per year, with a maximum of three days per sale.
- 2) Property Rental to Tenants – (CMC Chapter 17.11 - Allowable Land Uses, and CMC 17.90 - Definitions). Property owners may rent their entire home, or up to two bedrooms in their home to tenants, provided that the rental is not a transient occupancy, which is a time period of 30 days or less. Such transient rentals effectively render the rented rooms as commercial guest rooms or suites and are defined as Hotels or Motels, which are not permitted in single-family residential zones. Boarding houses (where three or more bedrooms are rented to tenants), are not permitted in single-family residential neighborhoods.

B. Revenue-generating Activities Which Require Permits

The following activities are subject to a Director or Planning Commission level of review and approval in Residential, Single-Family (RS) zones:

- 3) Filming – (CMC 5.04 - Motion Picture, Television and Photographic Production). Allows for 14 days of annual filming, and up to 20 days provided that certain community approvals are obtained, or waived, by the City Council. The issuance of film permits is managed by a consultant through the Media Department.
- 4) Residential Farms – (CMC 17.12.030 - Agricultural Uses, and CMC 17.12.110 - Hobby Farms). The City permits a resident (for properties in the HM, OS and RR zones) to develop a portion of their property for a limited

commercial agricultural use, subject to the standards of the code; a vineyard is one example. State law (AB1990) adopted in 2014 also regulates community food producers.

- 5) Home Occupations – (17.12.115 - Home Occupations). This code section allows for business activities by the home resident(s) that are subordinate to the primary residential use of the property, and compatible with surrounding residential uses. Examples include handicraft and art studios, and offices for architects, accountants or psychologists.
- 6) "Bed and Breakfast Inn" (CMC Chapter 17.11 - Allowable Land Uses, and CMC 17.90 – Definitions). These homes are unique revenue-generating facilities, where one family in permanent residence rents bedrooms without individual cooking facilities for overnight lodging. Bed and Breakfast facilities require conditional use permits, and may only be located in the (Rural Residential (RR), Rural Community (RC), Hillside Mountainous (HM) and Recreational (REC) Zones. The City has no permitted Bed and Breakfast Inns.

Under State Law, the following three residential uses are allowed in Residential Single-Family zones with limited City regulatory authority:

- 7) Day Care Facilities – (Calif. Health & Safety Code Sections 1596 & 1597; CMC 17.12.070 - Day Care Facilities). Day Care facilities are regulated under California Health and Safety Codes, which supersede City regulations in order to meet their policy mandate of providing care in home environments within residential settings. The City reviews and approves child and adult day care homes under a zoning clearance permit upon proof that a license has been issued by the California Department of Social Services.
- 8) Residential Care Homes – (Calif. Health & Safety Code Sections 1250 *et seq.* and 1500 *et seq.*). State law regulates and licenses such facilities, permitting up to six unrelated persons to reside together. Like day care facilities, the City is required to approve residential care homes ministerially under a zoning clearance to the same standards as are required for a single-family home.
- 9) Secondary Housing Units – (17.12.170 - Secondary housing units). State Code eliminates any discretionary review process for accessory dwelling units. Permits for accessory dwelling units up to 1,200 square feet in size are issued under a zoning clearance by Staff. Accessory dwelling units are for secondary tenant occupancy and shall not provide for transient occupancy (less than 30 day rental),

C. Prohibited Uses

Due to increased use of technology platforms and social media, trends in short term transient rentals and uses have changed significantly. Many activities are either expressly prohibited in the Development Code, or are not identified as an allowable use under the Code, rendering them prohibited.

Staff has identified and tracked thirteen web-sites which advertise use of a private home for either short-term overnight stays, or for limited duration commercial events. Often these properties are uninhabited by any permanent resident and have no other purpose but to generate commercial revenue for their owners, placing them in violation of residential zoning laws.

Prohibited uses and activities include:

- 10) Transient Occupancy Rentals - (CMC Chapter 17.11 - Allowable Land Uses and CMC 17.90 - Definitions) Transient home rentals, such as "Airbnb", "VRBO", and others, is prohibited under the Code because they function effectively as "hotels" or commercial uses, which are not permitted in single-family residential zones.
- 11) Retailing (CMC 17. 11 - Allowable land uses, CMC 17.12.020 - Accessory Retail Uses, CMC 17.12.115 - Home Occupations). Staff has received and responded to numerous instances where empty homes are used as "props" for large advertised retail commercial activities open to the public, with staged "estate sales" and new merchandise sales (especially clothing and jewelry) being the most popular. Typically they occur in properties that are for sale and empty. Trucks show up a day in advance to load in the merchandise. Retail uses permitted in single-family residential zones are very limited, allowable only under a permit for a home occupation, or incidental to the functions of an HOA clubhouse.
- 12) Home Event Rentals (CMC Chapter 17.11 - Allowable Land Uses, and CMC 17.90 - Definitions). Code Enforcement Staff and the City Prosecutor are often responding to the use of vacant homes which operate for revenue generating event purposes. The properties are advertised on websites such as "Peerspace" for various commercial activities or events, such as corporate meetings, retreats, dinners, performances, weddings, or workshops.
- 13) Parties (CMC 5.08.010 – Unlawful Dances or Parties, and CMC Chapter 17.11 - Allowable Land Uses). Code Enforcement Staff and the City Prosecutor have become aware of the use of vacant homes for commercially

operated parties. To generate revenue, the owner (or an agent) markets and rents the property temporarily as a venue for gatherings advertised on social websites. A cover charge may be imposed upon attendees, and alcohol sales can occur as well. This is in clear contrast to private parties and gatherings hosted by residents at their own homes for their own enjoyment and having no commercial purpose, and which are of course an allowed ancillary activity associated with the use of one's home.

Should the Council wish additional information or research on any of these activities, or others, Staff can undertake additional reviews as directed.

FISCAL IMPACT/SOURCE OF FUNDING:

Code administration by Planning, Building and Safety and Code Enforcement Staff are covered in the annual Community Development Department budget.

REQUESTED ACTION:

That the City Council discusses revenue generating activities associated with accessory uses to single family homes, and provides direction to Staff.

ATTACHMENTS: Cited Calabasas Municipal Code Sections

- A: Chapter 5.04: Motion Picture, Television and Photographic Production
- B: Chapter 5.08: Public Dances
- C: Chapter 17.11: Allowable Land Uses
- D: Section 17.12.020: Accessory Retail Uses
- E: Section 17.12.030: Agricultural Uses
- F: Section 17.12.070: Day Care Facilities
- G: Section 17.12.110: Hobby Farms
- H: Section 17.12.115: Home Occupations
- I: Section 17.12.165: Residential Accessory Uses
- J: Section 17.12.170: Secondary Housing Units
- K: Chapter 17.90: Definitions

