County of Santa Cruz

DEPARTMENT OF COMMUNITY DEVELOPMENT AND INFRASTRUCTURE

MEMORANDUM

DATE: July 7, 2022

TO: Housing Advisory Commission

FROM: David Carlson, Resource Planner, Policy Division

SUBJECT: Consideration of Draft Tiny Homes on Wheels (THOW) Ordinance

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Recommendation

Consider proposed draft ordinance options for permitting tiny homes on wheels (THOWs) and provide recommendations to the Planning Commission and Board of Supervisors. Three options are presented as follows:

1) A THOW may function as a single family dwelling, as the primary unit, in place of an accessory dwelling unit (ADU), or in place of a junior accessory dwelling unit (JADU)
2) A THOW may function as a single family dwelling in place of an accessory dwelling unit (ADU), or in place of a junior accessory dwelling unit (JADU)
3) A THOW may function as a single family dwelling in place of an accessory dwelling unit (ADU)

Executive Summary

Staff received direction from the Board of Supervisors to develop regulations regarding THOWs and has conducted a large amount of community outreach, study sessions, and related research. The resulting draft regulations attempt to incorporate this background work in a draft ordinance with several options for consideration by the Housing Advisory Commission, the Planning Commission, and the Board of Supervisors.

Background

The attached Planning Commission staff report provides a detailed summary of the planning process regarding THOW, including study sessions before the Board of Supervisors, Planning Commission and Housing Advisory Commission, several community meetings, public input, consultation with other agencies, and additional research.

As a result of the most recent study session on February 9, 2022, the Planning Commission provided feedback and recommendations regarding several aspects of regulations that would address THOWs, summarized below.

Geographic Location

- Access to the THOW site should meet fire agency requirements.
- Allow wherever residential use is allowed
- Discussion of different requirements for specific areas such as urban and rural areas, the coastal zone, and the CZU fire area.

Configuration of THOW on Parcels

- A THOW could function as primary dwelling or one of the allowed ADUs on a parcel. However, regarding THOWs functioning as a primary dwelling, additional information is needed on property taxes.

Development Standards

- Concern regarding allowing THOW in driveways in terms of interference with required parking and visual impacts.
- Supportive of applying ADU setbacks and other ADU development standards.
- Separate addressing should be required.

Design

- Supportive of staff recommendations overall.
- Modify requirement that mechanical equipment must be integrated and require screening of exterior mechanical equipment.
- Allow some flexibility regarding a requirement for window trim.

Utilities

- More information is needed on the code requirements and aesthetics of utility hookups (water supply, wastewater, and electricity)
- More information is needed on off-grid electricity generation (solar power), and prohibiting generators as a source of power.

Ownership

- Supportive of not allowing short term rentals in THOW
- More information is needed on payment of impact fees.
- More information is needed on ownership and property taxes.

Permits and Approvals

- Add requirement for fire safe construction
- Supportive of 3-year permit term and renewal
- Will and how can impact fees be assessed?
- Make the process very easy for the community to understand. Similar to ADU permit process and resources.

Structure of Regulations

- Consider elements of a proposed ordinance that may provide some additional benefit in the CZU fire area such as expedited ordinance adoption outside coastal zone.
- Coastal Zone permitting requirements should be consistent with existing CDP requirements.

Timing/Next Steps

- Directed staff to return at date uncertain with an ordinance taking PC questions and suggestions into account

Analysis

The are several overall considerations that should be highlighted regarding THOWs:

- The proposed regulations do not address tiny houses on a foundation because these types of structures are already allowed. The permit process for a tiny house on a foundation is the same as for any new detached dwelling in the County. Therefore, the proposed regulations only address THOWs.
- The proposed regulations cannot and do not authorize alternatives to the Fire Code or sewage disposal or water supply requirements, or requirements to address environmental resources and constraints that may affect the site. To develop a site with a THOW would require meeting all fire agency requirements for access and water supply for fire protection purposes, meeting all requirements of the Environmental Health Department regarding water supply, an individual sewage disposal system in rural areas, and connections to water supply and the sewer system in urban areas, and meeting all requirements of the Environmental Planning section of the CDI Department regarding environment resource protection and addressing any geologic or geotechnical hazards that may affect the site.
- Because THOWs are registered with the DMV, they are not assessed property taxes as improvements to land.
- THOWs can count toward the County's Regional Housing Need Allocation (RHNA) under certain circumstances. The THOW must be permitted by the local jurisdiction; meet the census definition of a housing unit (ADUs meet the definition); must have new hookups to services and utilities and other features to demonstrate a sense of permanence; and the local jurisdiction must monitor the THOWs to ensure the unit hasn't been moved to another location.

The proposed ordinance takes a relatively simple and straightforward approach to draft regulations in that, it mimics existing permit processing requirements for a new single family dwelling or an ADU, depending on the ordinance option. The draft ordinance(s) language is limited to elements specifically addressing the unique aspects of THOWs. The structure of the ordinance allows for the presentation of various options for consideration by decision-makers.

At the July 13, 2022 HAC meeting, staff will present more detail on specific aspects of the proposed ordinances, and various considerations related to the information outlined in this memo.

STAFF RECOMMENDATION

Staff recommends that the Housing Advisory Commission consider the three draft ordinances provided in the exhibits to this memorandum, and take one of the following actions:

A. Recommend that the Board approve one of the draft ordinances [Option 1, 2, or 3] as written;
B. Recommend that the Board approve one of the draft ordinances [Option 1, 2, or 3] with modifications specified by the Commission;
C. Take no formal action (Commissioners may provide informal comments to be reflected in the meeting minutes).

Exhibits:

1) Draft THOW Ordinance Option 1
2) Draft THOW Ordinance THOW Option 2
3) Draft THOW Ordinance Option 3
4) Planning Commission Staff Report February 9, 2022

EXHIBIT I

13.10.680 Tiny Homes on Wheels

(A) Purpose. The purpose of this section is to provide for and regulate Tiny Houses on Wheels in order to provide needed housing for County residents and to further the housing goals of the Housing Element of the County General Plan.

(B) Definitions. For the purposes of this section, terms shall be defined as follows:

(1) "Tiny House on Wheels (THOW)" shall be defined per SCCC 13.10.700-T: An independent dwelling unit on wheels, maximum 400 square feet, which provides complete independent living facilities for one or more persons and is towable by a hitch mechanism and cannot move under its own power.

(C) General Requirements.

(1) A THOW shall function as a single-family dwelling as the primary unit, in place of an accessory dwelling unit (ADU), or in place of a junior accessory dwelling unit (JADU), such that the total number of dwelling units on a parcel does not exceed the total number of dwelling units allowed on that parcel per provisions of state and local regulations.

(2) THOWs that function as the primary unit shall be subject to all provisions of this code that apply to single family dwellings.

(3) THOWs that function as an ADU or JADU in conjunction with an existing primary unit shall be subject to all provisions of SCCC 13.10.681 as they apply to new construction ADUs and JADUs in addition to the requirements in this section.

(4) For purposes of compliance with SCCC 13.10.681, the first THOW permitted as an ADU on a parcel shall be designated a new construction ADU and the second THOW permitted as an ADU on the same parcel shall be designated a JADU. For purposes of this section, A THOW may be considered a JADU even if it is detached from the primary unit.

(5) THOWs that do not meet the standard for exemption or exclusion under SCCC 13.20.050 or 13.20.051 require issuance of a coastal development permit (CDP) with noticing and appeal requirements per SCCC 13.20.107 and 13.20.108, and subject to findings per SCCC 13.20.110. CDPs for THOWs located in the Commercial Agricultural (CA) zone district shall be subject to additional findings per SCCC 13.10.314(A) and (B).

(D) Site Requirements.

(1) THOW Location on a Parcel.

(a) The THOW as an ADU or JADU shall be detached from the primary dwelling unit.

(b) A THOW may be located in an existing driveway only if the THOW meets required setbacks, is not located in a required parking space, and does not block access to required parking for other dwelling unit(s).

(c) Parking Pad.

(i) Bumper guards, curbs, or other installations shall be adequate to prevent movement of the THOW.

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(ii) The wheels shall not be removed, and the parking pad shall be a level surface paved with two inches of asphalt concrete over five inches of Class II base rock or equivalent permeable or nonpermeable surface so as to provide a durable, dustless surface, and shall be graded and drained so as to prevent erosion and disperse surface water

(2) Access.

(a) The THOW parking pad shall be accessible by a path of travel such that the THOW is towable onto and off the property

(3) Size.

(a) The maximum size is as required to allow for towing on public roadways, but not to exceed 400 square feet.

(3) Development Standards.

(a) Meet all development standards in 13.01.681 and the maximum height of a THOW shall be as established by the California Department of Motor Vehicles for towing on public roads, but not to exceed 14 feet.

(E) Utilities.

(1) Electricity. The THOW shall be connected to a source of electricity in compliance with the latest edition of the California Electrical Code and local ordinance. If not connected to the local electric utility power source, an off-grid system may be used that is designed to provide sufficient power based on the expected loads. All off-grid systems shall include solar panels, battery storage and provisions for connection to a generator and meet all requirements of the California Electrical Code and local ordinance.

(2) Water and Sewer. The THOW shall be connected to the approved water source and sewage disposal facility in compliance with the latest edition of the California Plumbing Code and local ordinance.

(F) Design.

(1) Incorporate design features and materials typically used for houses, such as siding or roofing materials, pitched roofs, eaves, and residential windows.

(2) Windows shall be at least double pane glass and shall include exterior trim or other design features to mimic windows on a building.

(3) The roof and exterior walls shall be fixed with no slide-outs, tip-outs, or other forms of mechanically articulating extensions.

(3) Mechanical equipment that is not incorporated within the structure shall be screened from public view and shall not be located on the roof. Electrical, and plumbing hook ups shall similarly be screened from public view.

(4) Skirting. When parked, the THOW shall include skirting to conceal the wheels and undercarriage.

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(5) THOWs located in Wildland Urban Interface shall be designed with materials and construction methods for exterior wildfire exposure in compliance with Section R337 of the California Residential Code and local ordinance.

(G) Occupancy. A THOW that functions as an ADU or JADU may be excepted from the occupancy requirements of SCCC 13.10.681(G)(2) in that the THOW may be sold when removed from the property.

(H) THOW Permit.

(1) Prior to moving a THOW onto any property, a ministerial THOW building permit shall be obtained authorizing parking and occupancy of each THOW on the property pursuant to SCCC 12.01.

(2) The THOW permit shall expire upon removal of the THOW from the property where it is permitted.

(3) THOW permits shall be subject to renewal every three years. The permit renewal process shall include a site inspection by County staff.

(4) Inside the Coastal Zone, a THOW that functions as a primary unit shall be required to obtain a coastal development permit pursuant to the provisions of SCCC 13.20.

(I) Application Processing. The following additional information shall be submitted with the required information for a building permit application for a THOW:

(1) Certificate indicating that the THOW has been constructed to ANSI 119.5, NFPA 1192, or other acceptable recreational vehicle standard, OR submittal of plans for review by County staff for compliance with the California Residential Code, Appendix Q.

(2) DMV registration for towing to parking location.

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EXHIBIT II

13.10.680 Tiny Homes on Wheels

(A) Purpose. The purpose of this section is to provide for and regulate Tiny Houses on Wheels in order to provide needed housing for County residents and to further the housing goals of the Housing Element of the County General Plan.

(B) Definitions. For the purposes of this section, terms shall be defined as follows:

(1) "Tiny House on Wheels (THOW)" shall be defined per SCCC 13.10.700-T: An independent dwelling unit on wheels, maximum 400 square feet, which provides complete independent living facilities for one or more persons and is towable by a hitch mechanism, and cannot move under its own power.

(C) General Requirements.

(1) A THOW shall function as a single family dwelling ~~as the primary unit,~~ in place of an accessory dwelling unit (ADU), or in place of a junior accessory dwelling unit (JADU), such that the total number of dwelling units on a parcel does not exceed the total number of dwelling units allowed on that parcel per provisions of state and local regulations.

~~(2) THOWs that function as the primary unit shall be subject to all provisions of this code that apply to single family dwellings.~~

(~~3~~2) THOWs ~~that function as an ADU or JADU in conjunction with an existing primary unit~~ shall be subject to all provisions of SCCC 13.10.681 as they apply to new construction ADUs and JADUs in addition to the requirements in this section.

(~~4~~3) For purposes of compliance with SCCC 13.10.681, the first THOW permitted ~~as an ADU~~ on a parcel shall be designated a new construction ADU and the second THOW permitted ~~as an ADU~~ on the same parcel shall be designated a JADU. For purposes of this section, A THOW may be considered a JADU even if it is detached from the primary unit.

(~~5~~4) THOWs that do not meet the standard for exemption or exclusion under SCCC 13.20.050 or 13.20.051 require issuance of a coastal development permit (CDP) with noticing and appeal requirements per SCCC 13.20.107 and 13.20.108, and subject to findings per SCCC 13.20.110. CDPs for THOWs located in the Commercial Agricultural (CA) zone district shall be subject to additional findings per SCCC 13.10.314(A) and (B).

(D) Site Requirements.

(1) THOW Location on a Parcel.

(a) The THOW ~~as an ADU or JADU~~ shall be detached from the primary dwelling unit.

(b) A THOW may be located in an existing driveway only if the THOW meets required setbacks, is not located in a required parking space, and does not block access to required parking for other dwelling unit(s).

(c) Parking Pad.

(i) Bumper guards, curbs, or other installations shall be adequate to prevent movement of the THOW.

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(ii) The wheels shall not be removed, and the parking pad shall be a level surface paved with two inches of asphalt concrete over five inches of Class II base rock or equivalent permeable or nonpermeable surface so as to provide a durable, dustless surface, and shall be graded and drained so as to prevent erosion and disperse surface water

(2) Access.

(a) The THOW parking pad shall be accessible by a path of travel such that the THOW is towable onto and off the property

(3) Size.

(a) The maximum size is as required to allow for towing on public roadways, but not to exceed 400 square feet.

(3) Development Standards.

(a) Meet all development standards in 13.01.681 and the maximum height of a THOW shall be as established by the California Department of Motor Vehicles for towing on public roads, but not to exceed 14 feet.

(E) Utilities.

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(F) Design.

(1) Incorporate design features and materials typically used for houses, such as siding or roofing materials, pitched roofs, eaves, and residential windows.

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(4) Skirting. When parked, the THOW shall include skirting to conceal the wheels and undercarriage.

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(5) THOWs located in Wildland Urban Interface shall be designed with materials and construction methods for exterior wildfire exposure in compliance with Section R337 of the California Residential Code and local ordinance.

(G) Occupancy. A THOW ~~that functions as an ADU or JADU~~ may be excepted from the occupancy requirements of SCCC 13.10.681(G)(2) in that the THOW may be sold when removed from the property.

(H) THOW Permit.

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(2) The THOW permit shall expire upon removal of the THOW from the property where it is permitted.

(3) THOW permits shall be subject to renewal every three years. The permit renewal process shall include a site inspection by County staff.

~~(4) Inside the Coastal Zone, a THOW that functions as a primary unit shall be required to obtain a coastal development permit pursuant to the provisions of SCCC 13.20.~~

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EXHIBIT III

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(2) DMV registration for towing to parking location.

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EXHIBIT IV

COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131

January 28, 2022

Agenda Date: **February 9, 2022**

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Study Session to Consider Development of Regulations for Tiny Homes

Recommended Actions:

1) Conduct a study session to discuss proposed amendments to the Santa Cruz County Code (SCCC) that would add regulations for tiny homes.

2) Direct staff to prepare an ordinance presenting the amendments along with a CEQA Notice of Exemption, for consideration by the Planning Commission at a noticed public hearing.

Executive Summary

Regulations are proposed for the purpose of recognizing tiny homes on wheels (THOW) as permanent dwellings, per direction from the Board of Supervisors. Various regulation options are provided for consideration, based on staff research, other jurisdiction ordinances, input from the community and input from the Housing Advisory Commission.

Background

Santa Cruz County is experiencing a housing crisis of both affordability and supply. Given the variety in household sizes and income levels within Santa Cruz County, there is a need for smaller, more affordable housing alternatives to traditional single-family homes. Additionally, the CZU Lightning Complex Fire of 2020 left many residents without permanent homes and facing a long rebuilding process. Tiny homes offer one potential option to address these issues. Tiny homes have become popular nationwide and regulations for tiny homes have been adopted by several jurisdictions in California.

"Tiny homes" are generally considered in the industry to be detached dwellings less than 400 square feet in floor area, providing separate, independent living quarters and including basic functional areas for cooking, sleeping, and toilet and bathing facilities. The term "tiny home" can refer to a tiny home on a foundation and/or a tiny home on wheels.

Santa Cruz County already allows tiny homes on foundations as permanent housing – either as primary dwellings or as accessory dwelling units (ADUs) or Junior ADUs. Per the California Health and Safety Code, a dwelling on a foundation as small as 150 square feet is currently allowed, subject to relevant zoning code and building code standards. The SCCC does not include any minimum house size requirements beyond this state law. Also, homes on foundations that are 400 square feet or smaller can use Appendix Q of the Residential Building Code, which has special allowances for ceiling height, lofts, ladders and stairs, and egress windows.

In comparison to tiny homes on foundations, THOW are treated as recreational vehicles (RVs) in Santa Cruz County, and the County code does not allow permanent habitation of recreational

vehicles except in certain designated RV and travel trailer parks. The SCCC does allow RVs to be used as temporary housing during construction of a home on a foundation.

Since tiny homes on foundations are already allowed in Santa Cruz County, this study session will focus on options for regulations specifically for THOW as permanent housing.

Summary of Public Process and Research

The concept of tiny home regulations is new in Santa Cruz County, especially the idea of allowing THOW. Engagement with the community on this topic is therefore very important. Staff work on this project began in January 2021, when the Board of Supervisors directed staff to explore options for updating regulations to define and encourage tiny homes. Staff subsequently conducted initial research and gathered feedback from the Housing Advisory Commission at their meeting on March 3, 2021. On March 9, 2021, staff reported back to the Board of Supervisors and the Board directed staff to develop local tiny homes regulations in two phases: first, in conjunction with updates to ADU regulations, amend the County Code to allow tiny homes on foundations or on wheels to function as primary dwellings or ADUs. Second, consider policy options such as tiny home villages that would require amendments to the General Plan as well as environmental review. Following this Board direction, staff advertised and held a community meeting on March 16, 2021 to gather public input on the topics of both tiny home regulations and updates to ADU regulations. There were over 100 attendees at that meeting.

On March 24, 2021, the Planning Commission held a study session and considered options associated with the Board's proposed "phase 1" tiny home regulations, but ultimately directed staff to separate the ADU and tiny homes regulations into two separate projects because tiny homes would require additional staff research and the Commission also indicated that further public outreach was in order. Following that study session, staff proceeded with the ADU code amendments, but in the meantime continued to collect public comments for the tiny homes project and maintained an email list of members of the public interested in being involved in tiny home regulation development. This list currently includes about 200 members of the public. So far, over 50 written comments have been received.

In December 2021, staff re-started work on tiny homes regulations, created a project website (https://www.sccoplanning.com/PlanningHome/SustainabilityPlanning/TinyHomes.aspx) and conducted three community meetings with over 150 attendees in total. Meeting advertisement included email outreach, a press release, and County social media updates. Each meeting had a different focus: urban coastal concerns, rural concerns, and south county concerns. In addition to conducting these community meetings, staff also prepared an 11-question survey that has been posted on the County's tiny homes website since December 2021. As of January 25, 334 responses have been received.

Staff has also coordinated with local tiny home experts and has reviewed ordinances prepared for seven other California jurisdictions: Counties of Humboldt, Santa Clara, and Placer; and Cities of Los Angeles, San Jose, San Diego and San Luis Obispo. Staff has followed up directly with staff from Placer County, City of San Luis Obispo, and Humboldt County to learn more about specific aspects of these ordinances and lessons learned.

On January 12, 2022, the Housing Advisory Commission reviewed staff research and community input received so far, expressed general support for THOW, and provided specific feedback regarding certain regulation options.

Please see Exhibit A for a comparison of tiny home ordinances from other California jurisdictions. See Exhibit B for online survey responses and see Exhibit C for public comments received via email. See Exhibit D for a summary of questions and comments at the community meetings in

both March 2021 and December 2021. Finally, see Exhibit E for a record of commissioner comments and public comments from the two HAC meetings where tiny homes have been discussed.

Options for Regulations for THOW

At the community meetings as well in written comments and in the online survey, staff has seen overwhelming support from the public for adopting regulations to allow THOW as permanent residences in Santa Cruz County. In fact, 80 percent of online survey respondents said they were very interested in these regulations. The HAC has also been supportive of adopting these regulations. Regulation options for THOW are discussed with staff recommendations based on research, the online survey, public comments, and prior meetings on this topic.

Geographic Location. Some cities and counties with tiny home ordinances have limited THOW to single family zone districts, others have limited THOW to any location where residential land use is allowed. Placer County's draft ordinance further disallows THOW from areas where access roads do not meet fire standards, and the City of San Diego's ordinance disallows THOW in certain fire hazard and sensitive habitat areas. Online survey results indicate a mix of opinions on this question, but about three quarters of respondents would like tiny homes to be allowed on any parcel, or on any parcel that allows residential land use. Other respondents felt that THOW should be limited to certain types of parcels, such as existing mobile home parks, large rural parcels, urban parcels close to services, parcels with sufficient utility capacity, and CZU burn area parcels. There was some survey response and community discussion about allowing THOW on rural parcels that are currently considered "unbuildable" for standard foundation homes. There was also discussion about allowing THOW outside of residential zone districts – for instance on church properties. Additionally, community members noted that THOW regulations should not remove the current allowed uses of THOW as RVs, and it could be appropriate to have different requirements associated with THOW in different zone districts.

> ***Staff Recommendation:*** *Allow THOW anywhere that residential land use is allowed, subject to discretionary use approvals in zone districts where use approvals are required for homes on foundations. Also continue to allow THOW wherever RVs are allowed.*

Configuration and Number of THOW Per Parcel. In terms of configuration on a parcel, there are a few options. One option would be to allow a tiny home on wheels to be used in place of an ADU on a foundation. This is the only configuration that most other jurisdictions with tiny home ordinances have allowed so far, although several of these jurisdictions intend to expand THOW configuration options in future iterations of their ordinances. Other options would be for THOW to be allowed in place of a primary home on a foundation (allowed in Placer County), or as additional dwellings on parcels where there are already primary dwelling(s) and ADU(s) on foundations (allowed in San Jose and San Diego).

There was some discussion at the community meetings regarding the idea of allowing multiple tiny home structures on one parcel – either as multiple rental units (a "tiny home village") or as a set of units serving one household with one tiny home being used as a main living space, another as a sleeping space, and another as an office. However, there was some concern about adding more residential units than are currently allowed, both in dense urban areas where lots are small and there is more potential for impacts to neighbors, and in rural areas with access and fire safety issues. Staff heard community support and interest in the idea of tiny home villages in certain areas or zone districts where this land use would be appropriate. Some community discussion and online survey responses suggested that the County should consider a density calculation for THOW, such as one THOW per 0.25 acre in the rural area or per 4,000 square feet in the urban coastal area, and then calculate the allowed number of THOW per parcel based on parcel size.

Multiple tiny homes on one parcel have not been allowed in the approved ordinances that staff reviewed, but Placer County has included this provision in their draft ordinance. Placer County's ordinance would allow two THOW (one in place of a primary dwelling and one in place of an ADU) per parcel as well as "moveable tiny home communities" in clustered development. Staff is also aware that some jurisdictions such as San Jose and Oakland allow tiny home villages in special cases as supportive or transitional housing for those experiencing homelessness. In order to allow tiny home villages in Santa Cruz County, it is likely that a General Plan amendment and some level of environmental review would be required to account for the added housing density.

> ***Staff Recommendation****: Allow THOW to count as one or more of the allowed dwellings on a parcel. A THOW could take the place of a primary dwelling, ADU, and/or JADU on a foundation, as long as the total number of dwellings does not exceed the maximum allowed on the parcel. For example, on a vacant single-family parcel where three dwellings are allowed (primary, ADU, and JADU), three THOW would be allowed.*
>
> *Staff recommends that the County consider tiny home villages in subsequent policy project (not as part of the current ordinance effort). Staff also recommends that the County consider accessory structures on wheels (such as mobile offices that are not independent dwelling units) as a separate policy project.*
>
> *If the Commission is interested in allowing THOW as primary dwellings, staff intends to conduct additional research and coordination with the Department of Housing and Community Development (HCD) to understand the limits of state law and how the law is evolving currently. Staff learned from both Humboldt County and City of San Luis Obispo staff that in preparation of ordinances for those jurisdictions, the use of a THOW as a primary dwelling outside an RV park was constrained by state housing law, building code, RV and vehicle law, and property tax status.*

Development Standards. There are a variety of options for development standards for tiny homes such as unit size, height, floor area ratio, lot coverage, and setbacks. Overall, online survey respondents have been in favor of special standards for THOW that are more relaxed as compared to development standards for ADUs or other buildings on foundations. Some respondents suggested applying standards that exist within mobile home parks, or even simply not applying development standards to THOW at all. However, staff has also heard concerns from community members about potential impacts to neighbors from THOW. The HAC provided feedback that it may be easiest for staff and applicants to apply existing SCCC development standards to THOW to avoid confusion associated with yet another set of development standards.

Most jurisdictions with existing THOW ordinances have chosen to categorize THOW as a type of ADU and simply apply ADU development standards to THOW. Nevertheless, there are a few points to consider that may support the idea of unique THOW development standards. First, in terms of unit size and height, a THOW must be registered with the DMV and be towable, so that necessarily limits maximum size to around 400 square feet and limits height to 13 feet 6 inches. Staff heard from some community members that a 150 square foot minimum size should not be required for THOW as it is for ADUs, since there are smaller THOW models available. There was also some community discussion about whether there should be occupancy limits for THOW to avoid overcrowding, although staff has not seen that provision added to other jurisdiction tiny home ordinances.

In terms of floor area ratio and lot coverage, since THOW are not buildings, it might be appropriate to exclude them from these calculations. However, it could be a good idea to apply FAR and lot coverage to THOW as a way to avoid overloading tight urban sites and impacting neighbors. One nuanced idea provided by a community member was to actually include THOW square footage

as part of the overall ADU square footage allowed on a parcel. For instance, if the maximum allowed ADU size is 1000 square feet and an existing ADU is 650 square feet, a 350 square foot THOW could be allowed.

In terms of the location of THOW within a parcel, it might be useful to allow THOW in driveways. The advantage of locating a tiny home on wheels on an existing driveway is that the property owner might not have to build a new parking pad for the tiny home. However, a tiny home on wheels in a driveway would probably be more visible to neighbors and might block existing parking spaces that serve the primary home or ADU. Staff heard support both for and against this idea. Staff also heard support for relaxing or removing side and rear setback requirements for tiny homes on wheels, especially since THOW in existing driveways, parking pads or backyard areas may not be able to meet the 4-foot ADU setback. At the community meetings, CAL Fire staff noted that there is a building code requirement that limits openings like doors and windows within three feet of a property line unless they are fire rated, and the County would need to determine whether to apply those same limitations to THOW. Wherever THOW are located on a parcel, fire district staff expressed that there should be addressing visible from the street for emergency response.

Regarding parking, some jurisdictions do not require any car parking spaces associated with tiny homes, whereas others require one parking space with exceptions, per ADU rules. Parking is especially constrained in the coastal zone, so it may be appropriate to require parking for residents of tiny homes in certain coastal parking-impacted areas. Staff heard community concerns about potential street parking impacts from THOW if on-site parking is not provided. One idea provided was to require on-site parking as a condition of approval of THOW towing, similar to towing requirements for manufactured homes.

> ***Staff Recommendation***: *Make THOW subject to all development standards associated with ADUs, except that there shall not be a minimum THOW size, and maximum THOW size and height shall not be more than that allowed per DMV regulations. Allow THOW within driveways if other development standards such as setbacks are met, but do not allow THOW to block required parking for any primary dwelling or ADU.*

Home Design. In terms of design, THOW are generally built to resemble homes rather than vehicles, and jurisdictions that allow THOW as permanent housing tend to include design requirements in their ordinances that set tiny homes apart from other movable homes such as RVs and travel trailers. With design requirements, it is important to keep in mind that most THOW will be pre-fabricated and while there are a range of architectural styles that can be achieved, the overall shape of these homes is somewhat boxy in order to meet DMV height and width requirements for towing. As a result, other jurisdictions have not required any overall architectural style but have instead taken the approach of prescriptive requirements such as a minimum roof pitch, a menu of allowed siding materials, building grade windows and doors, skirting around wheels, parking pad, anchoring/tie downs, and integrated mechanical equipment. These design requirements are similar across jurisdictions, although some are objective and others are more discretionary.

Some online survey respondents and community meeting participants expressed support for various home design or screening requirements for THOW, especially in urban areas where there could be visual impacts to neighborhood character. Others expressed the need for as much design flexibility as possible and noted that any design requirements that the County requires should not be difficult for a standard tiny home pre-fab manufacturer to achieve. In fact, the suggestion was made to coordinate with tiny home manufacturers to understand what design standards they can follow. A lot of online survey respondents were in favor of no design requirements for THOW beyond safety standards and public nuisance regulations. HAC members expressed that any design requirements should be kept simple, compared to requirements in some other jurisdiction ordinances.

There was some discussion at the community meetings and at the HAC meeting about whether the County should allow travel trailers and even RVs to qualify as THOW, given the housing crisis. Staff heard support both for and against this idea. As of yet, to staff's knowledge this idea has not been incorporated into another jurisdiction's THOW ordinance.

Finally, it is important for any THOW design regulations to clarify how they align or are different from the menu of ADU objective design criteria that were recently approved by the Board for inclusion in the County's ADU regulations. Those objective criteria require that ADUs that are visible from a road or other public area must include three or more of the following elements:

(a) Roof pitch matching dominant roof slope primary dwelling(s). Dominant roof slope is the slope shared by the largest portion of the roof.
(b) Roof material matching primary dwelling(s).
(c) Primary siding material or color matching primary dwelling(s).
(d) Window and door trim matching primary dwelling(s).
(e) Porch, bay window, or other façade articulation to break up flat wall planes.
(f) Fencing or landscaping to buffer the view of the ADU or JADU from a road or other public area. Fencing shall be subject to SCCC 13.10.525: Regulations for fences and retaining walls within required yards. Landscaping shall be subject to SCCC 13.13: Water Efficient Landscaping.

Staff does not recommend that the ADU objective design criteria be required for THOW because most of those criteria are associated with aligning ADU design with the design of a primary dwelling, and THOW may not need to meet that same standard given that THOW are not on foundations and may be moved off site. However, the Commission may be interested in incorporating some aspects of those objective standards into the THOW ordinance.

Staff Recommendation: *Include the following objective standards for THOW:*

- *THOW shall incorporate design features and materials typically used for houses, such as siding or roofing materials, pitched roofs, eaves, and residential windows*
- *Windows shall be at least double pane glass and shall include exterior trim*
- *THOW shall incorporate mechanical equipment within the structure*
- *THOW shall be located on a parking pad meeting certain structural specifications (to be developed by staff in coordination with Building Official)*

Utilities. Most jurisdictions require THOW to connect to a wastewater treatment system, water system, and electric grid. Some jurisdictions allow off-grid electric THOW if renewable energy generation such as solar photovoltaic panels can supply 100% of the energy needs for the THOW. Regarding water and wastewater, although THOW (similar to RVs) are designed to include holding tanks for wastewater, most jurisdictions do not allow the use of these holding tanks, or the use of composting toilets, for THOW. The City of San Luis Obispo and Humboldt County do allow composting toilets or other alternative water/wastewater systems if there is back-up sewer or septic available.

Staff has heard a lot of community support for allowing off-grid THOW, especially off-grid wastewater treatment. For rural residents of Santa Cruz County, a repeat topic of conversation and concern has been septic constraints, and more specifically the cost of septic systems, alternatives to septic systems, and potential impacts of septic system requirements on development feasibility of THOW. Environmental Health staff have clarified that the state law currently requires rural properties to have enough septic system capacity to support dwellings, including THOW. Environmental Health staff further clarified that property owners with these back-

up systems in place may use composting toilets, and there is no associated permit requirement for composting toilets.

Most online survey respondents would like for tiny homes to be allowed off-grid with hook up options, which aligns with what state regulations allow. Staff heard community support for allowing renewable energy systems but not generators to support off-grid energy use. Staff also heard support for encouraging the use of graywater for THOW, and for allowing composting toilets as well as additional alternative wastewater systems such as vacuum-based pump out systems or compact self-contained sewage treatment units. Environmental Health staff clarified that haul-away systems usually are not allowed or encouraged in Santa Cruz County except in special circumstances.

There was also a lot of community discussion about whether a THOW could be associated with reduced septic system requirements as compared to a home on a foundation, since THOW are smaller, tend to have fewer occupants and tend to use a lot less water and wastewater. Public comments were also received regarding the drought and the need to conserve water generally, and the associated role of THOW. Environmental Health staff noted that under the new Local Agency Management Plan (LAMP), property owners can actually calculate their required septic capacity based on an evaluation of the flow from their fixtures, so this may lead to reduced septic requirements for THOW.

> ***Staff Recommendation***: *Allow THOW to have off-grid electric, water, and wastewater treatment systems if back-up systems exist. Off-grid electric THOW must include renewable energy systems capable of supplying 100% of electricity needs and must have the ability to connect to the electrical grid. Off-grid water and wastewater THOW within the urban services line must have the ability to connect to water and sewer services. Off-grid water and wastewater THOW outside the urban services line must have back-up water and septic systems with capacity to serve the THOW per state law.*

Ownership. Because they can be moved off site, THOW are considered "personal property" as opposed to land and buildings on foundations, which are considered "real property." For this reason, ownership of tiny homes is separate from ownership of land or other real property. Most online survey respondents would like to keep maximum flexibility in the ordinance regarding ownership, in order to keep tiny homes affordable – meaning that we should allow a tiny homeowner to locate their tiny home on a property owned by someone else rather than requiring both the land and tiny home to be owned by the same person. Other jurisdictions are mostly silent on this topic, but do appear to allow this type of ownership/occupancy flexibility in practice. City of San Luis Obispo requires that the property owner live on site.

Other jurisdictions have not allowed THOW to be used as short-term rentals. This makes sense, given that THOW are being considered as an affordable housing option, and in many jurisdictions THOW are being considered as a subset of ADUs, which cannot be used as short-term rentals per state law. That said, there have been some public comments requesting that we do allow short-term rentals as an option for THOW, to further provide flexibility in the ordinance.

There has not been a lot of discussion yet regarding property taxes, although one suggestion that came from the community was to charge property tax based on the number of RV hookups for tiny homes on a property. It is unlikely that it would be appropriate to add stipulations about property tax in a zoning ordinance, but some coordination with the Assessor's office may be in order to figure out how the County would approach this topic, especially if THOWs are allowed as primary dwellings.

There was also a request from the community to define what "affordable" means in relation to tiny homes, if that term is used in the ordinance.

Staff Recommendation: *Allow THOW ownership and occupancy separate from ownership of the property where the THOW is located. Do not allow short-term rentals in THOW.*

Permitting. Most jurisdictions require that THOW be licensed and registered with the DMV and be built to either the American National Standards Institute (ANSI) 119.5 Park Model Recreational Vehicle Standards, or National Fire Protection Association (NFPA) 1192 Standard on Recreational Vehicles. THOW can be certified for compliance with these standards and more by entities such as the Recreational Vehicle Industry Association (RVIA), NOAH RDI, and PWA. Beyond these requirements, some jurisdictions have additional construction requirements for THOW, such as compliance with Appendix Q of the building code, manufactured homes standards, insulation standards, or fire safe construction requirements. For instance, in Placer County where there is high fire risk, community members raised concerns that THOW should be held to the same fire safety standards as stick-built homes, which led staff to add a standard for fire suppression construction in high fire hazard areas. Humboldt County and City of San Diego have similar requirements.

In some jurisdictions, additional flexibility was added regarding construction requirements. For instance, in Humboldt County, in the event that THOW owners modify their ANSI/NFPA unit, or build their own THOW, that jurisdiction allows compliance with the Residential Building Code with approval of the Chief Building Inspector. Placer County allows THOW to be either licensed and registered with the DMV or with HCD, since HCD is the jurisdictional authority for some of the potential types of THOW.

In addition to certifications and permits related to the construction of THOW, the County could require discretionary permits such as coastal development permits within the coastal zone or development permits or use approvals for THOW in certain zone districts or geographic areas.

When asked about permit requirements for THOW, online survey respondents tended to prefer that tiny homes be permitted similarly to RVs or some combination of RV permits and building permits, with a streamlined process. For CZU fire victims, there is a hope that THOW approvals could be granted through the Recovery Permit Center in order to further speed the permit process. As an alternative to requiring specific industry certifications, some survey respondents preferred inspection of THOW by Planning Department Building Division staff, with the Building Official determining on a case by case basis whether the THOW met safety standards. The downside to this option is that it could require substantial staff time, training and resources.

Staff heard concern from the community about maintenance of THOW over time, and it was suggested that THOW permits or approvals could perhaps include a required permit renewal every certain number of years to avoid public nuisance and code compliance situations that can be challenging to resolve. Of course, any requirement for a permit renewal process necessitates additional Planning Department staff time and resources that may not be available.

Staff Recommendation: *Require that THOW be built to ANSI 119.5 or NFPA 1192, and/or California Residential Building Code standards, with extra fire safe standards if the THOW will be located in a high or very high hazard severity zone. Require DMV or HCD registration for THOW travel on roadways. Require a simple THOW approval process with an associated fee, through the Planning Department. Require any discretionary permits*

that would be required for an ADU. Consider requiring renewal of THOW approvals every five years.

Structure of the Regulations

Staff proposes to create a new zoning code section 13.10.680 for tiny homes, and then reference this section from other portions of the code. This new zoning code section would define both tiny homes on foundations and THOW; explain the County's purpose in allowing THOW as permanent housing; provide development and use standards and conditions for this building type; and explain permitting requirements. This code would also explain the relationship and overlap between tiny homes and building types such as RVs, manufactured homes, park trailers, factory-built housing, camping cabins and ADUs.

Additional sections of the zoning regulations might need to be updated to reference the THOW standards in section 13.10.680. For instance, County Code section 13.10.682 currently requires manufactured homes to be on foundations; and section 13.10.683 currently limits the use of mobile homes and recreational vehicles as permanent residences. Section 13.10.681, which addresses ADUs, might need to be updated to allow for THOWs smaller than 150 square feet, and it may be useful to specifically address tiny homes within the ADU code to provide clear guidance to those reading the code. Also, it may be appropriate to update the definition of "dwelling unit" in section 13.10.700 to allow for efficiency kitchens in tiny homes and add definitions for "tiny home on wheels" and "tiny home on foundation."

Timing

Those interested in developing tiny homes are often attracted to this housing option because it is a lot more affordable and often faster to construct as compared to a dwelling on a foundation, especially given the current housing crisis and supply chain issues. THOW are especially interesting as an option to CZU fire survivors as an efficient way to rebuild housing units on their properties as either an interim option before a home on a foundation is developed later, or as an alternative to a home on a foundation, in which case the tiny home could potentially be towed off site in the event of another emergency. There is a concern that tiny homes regulations for Santa Cruz County may not be developed in time for CZU survivors to make use of this option, due to the time it takes to develop an ordinance and the current manufacturer wait list for tiny home production. For this reason, staff has heard a sense of urgency on preparation of this ordinance coming from the community. If the Commission is interested in moving forward with an ordinance, staff suggests that the ordinance should be bifurcated for adoption outside the Coastal Zone upon Board approval, with adoption inside the Coastal Zone dependent on later Coastal Commission certification.

Staff has also heard from the community and from other jurisdictions that development of tiny homes regulations can and probably should be an iterative process, given how fast this industry is evolving. Suggestions were made for pilot projects or demonstration tiny homes. Also, staff has been made aware of an exploratory initiative led by Tiny House Alliance USA to develop voluntary industry-wide THOW standards through ASTM International, which may eventually take the place of RV standards that are currently applied to THOW. For these reasons, it may be wise to establish certain tiny home standards in the near term and plan for a review of these standards in several years.

California Environmental Quality Act

Staff's suggested options for tiny home regulations would not change the overall number of dwelling units allowed on any parcel. Therefore, it is anticipated that there would be no potential for significant environmental impacts and these regulations would be exempt from environmental review per CEQA §15061(b)(3).

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Exhibits:

A: Table Comparing Other Jurisdiction Tiny Home Ordinances
B: Survey Responses
C: Public Comments Received
D: Community Meetings Question and Comment Summary
E: HAC Meetings 3-3-21 and 1-12-22 Commissioner Comments