



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 19, 2019
FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT
SUBJECT: TINY HOMES AND TINY HOME COMMUNITIES UPDATE

ISSUE:

Receive an update on Tiny Homes and Tiny Home Communities in the City of Riverside, and provide direction to staff on potential amendments to Title 19 - Zoning Code.

RECOMMENDATIONS:

That the City Council receive an update on Tiny Homes and Tiny Communities and provide direction to staff on potential Title 19 – Zoning Code amendments related to Tiny Homes and Tiny Home Communities.

BACKGROUND:

Prior City Council Actions

On December 12, 2017, the City Council approved a Title 19 - Zoning Code amendment (Amendment) as part of the Housing Element Implementation Program. The Amendment defined “Tiny Homes” and “Tiny Home Community” (Attachment 2) as structures with a minimum of 100 square feet of living space constructed on a chassis, rather than a permanent foundation, that is licensed and registered with the California Department of Motor Vehicles. The Amendment allows these structures as incidental uses to “Places of Public Assembly – Non-Entertainment” (e.g., churches, synagogues, temples, fraternal organizations, etc.) to provide low-cost affordable housing or transitional housing for the homeless.

At the meeting, staff made several recommendations related to Tiny Homes and Tiny Home Communities. Staff recommended that Tiny Homes be defined as Accessory Dwelling Units to allow them on a lot with a primary single-family residence. Staff also recommended that Tiny Home Communities be allowed in the RR, RE and R-1 Zones as a Planned Residential Development. City Council had further questions, removed the recommendations, and directed staff to come back to answer the following:

- Assessment of Taxes and Costs – Tiny Homes
 - Are Tiny Homes on chassis assessed the same as an ADU built on a foundation?
 - Are they being taxed as real property or as a vehicle?
 - Since Tiny Homes are occupied as a dwelling, should they be paying their fair-share of taxes?
- Development and Management – Tiny Home Communities
 - How would stand-alone Tiny Home Communities be developed and managed?
 - How would a comprehensive management plan address parking, security and maintenance?
 - What standards would be required (similar to those for a mobile/manufactured home park)?

Tiny Homes and Tiny Home Communities

Tiny Homes and Tiny Home Communities are a growing trend in the United States. Tiny Homes are promoted as a unique and affordable housing alternative for those looking to downsize or prefer a more minimalist lifestyle. The Tiny Home movement is also supported by the environmental community as a way to reduce carbon footprints.

There are no universally adopted definitions for Tiny Homes or Tiny Home Communities. Based on published media and information from Tiny Home builders, a Tiny Home can be characterized as follows:

- Typically, a Tiny Home has a living area of 100 to 400 square feet;
- Tiny Homes may comply with a variety of standards, such as those for recreation vehicles, prefabricated homes, or permanent housing (Building Code); and
- Tiny Homes may or may not be constructed on a chassis (with or without axles or wheels).

California Requirements for Tiny Homes and Tiny Home Communities

The State does not define Tiny Homes in the same way as the City of Riverside. California has no specific statutory or regulatory definition for Tiny Homes or Tiny Home Communities. The State provides no oversight for, or authority over, Tiny Homes. The California Department of Housing and Community Development (HCD) issued a May 9, 2016 Bulletin (Attachment 1) intended to clarify the use, design and construction of any structure that may be referred to as a Tiny Home. As defined in the HCD Bulletin, a Tiny Home may be legal if it is used on an approved location, complies with all applicable laws, and is either:

- Built on a chassis with axles; contains 400 square feet or less of gross floor area (excluding loft area space); is considered a Recreational Vehicle, Camping Cabin or Park Trailer; is not under HCD's jurisdiction for the design and construction of the unit; and its construction and occupancy is enforced by local enforcement agencies with appropriate jurisdiction (City of Riverside – jurisdiction over location only); or
- Not constructed on a chassis with axles; is placed on a foundation or otherwise permanently affixed to real property; and complies with California Building Standards Code or Factory Built Housing standards; and may be enforced by local enforcement agencies having appropriate jurisdiction (City of Riverside – jurisdiction over design, building permits and/or location).

DISCUSSION:

At the City Council meeting on December 12, 2017, several questions were raised about Tiny Homes and Tiny Home Communities, as discussed above. The following provides clarification on these questions related to Assessment of Taxes on Tiny Homes and the Development and Management of Tiny Home Communities.

Assessment of Taxes and Costs – Tiny Homes

Based on information received from the Riverside County Assessor, a Tiny Home, as it is defined in Riverside (i.e., on a chassis) would not be assessed the same as a structure on a permanent foundation. Because Tiny Homes are not issued a building permit and are not a permanent site improvement, they are not included in the real property assessment of the lot. Any structure on a permanent foundation is included in the tax assessment, and this could include an accessory dwelling unit on the lot.

Title 19 – Zoning Code requires that a Tiny Home be registered with the California Department of Motor Vehicles (DMV). Because they are regulated by the State DMV, they would not be subject to the Uniform Building Code. The County Assessor's Office offered that a Tiny Home would be assessed in a way similar to recreational vehicles. The Assessor's Office is not aware of any Tiny Homes as defined by the City (i.e., on a chassis) within the County. The County Assessor's Office continues to explore how Tiny Homes as defined by the City would be assessed and, at the time of writing this Staff Report, has not determined a specific way forward.

Development and Management – Tiny Home Communities

City Council expressed concerns with how "stand-alone" Tiny Home Communities would be developed and managed, particularly as it relates to parking, security and maintenance. At the December 12, 2017 meeting, staff recommended that Tiny Home Communities be required to obtain a Planned Residential Development (PRD) permit. This would allow the City to have the ability to apply regulatory and operation standards. Requiring the PRD permit, with specific standards on parking, security and maintenance for the developer and future owners, will require an amendment to Title 19 – Zoning.

The City could establish development standards, similar to the current Mobile Home Park (MHP) Overlay Zone requirements in Chapter 19.210 of the Zoning Code, to regulate Tiny Homes and Tiny Home Communities. The MHP Overlay Zone requirements provide standards to ensure a suitable living environment for residents within the community and compatibility with surrounding neighborhoods.

Many of the City's MHP Overlay standards could be adapted to address the unique characteristics of Tiny Home Communities. In Riverside, requirements for Mobile Home Parks generally regulate the access, location, density, coverage, setbacks, parking, lighting and separation within the site. A management plan is required for common areas and facilities, and requires participation in the City's Crime Free Multi-Housing Program. Fencing and screening, including landscaping, is also regulated in the MHP Overlay. Similar standards could be developed for Tiny Home Communities as an amendment to Title 19 – Zoning Code.

Conclusion

Tiny Homes, as defined in Title 19 – Zoning Code, offers an opportunity to provide affordable housing in the City of Riverside that supplements the current Accessory Dwelling Unit regulations. The staff report addresses tax assessment of Tiny Homes and development/management of Tiny Home Communities as requested by City Council at their December 12, 2017 meeting.

Based on City Council direction, staff can amend Title 19 – Zoning Code. Amendments could include, but not be limited to, the following options:

1. Identify and regulate Tiny Homes as Accessory Dwelling Units allowing them on lots with a primary single-family dwelling;
2. Allow Tiny Homes only in Tiny Home Communities as a Planned Residential Development based on development standards; and/or
3. Maintain Tiny Homes only as incidental uses to “Places of Public Assembly – Non-Entertainment.”

FISCAL IMPACT:

There is no impact to the General Fund associated with this report.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. May 9, 2016 California Department of Housing & Community Development Bulletin on Tiny Homes
2. Zoning Code Definitions – Tiny Home & Tiny Home Community
3. Presentation