



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2019

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: UPDATE AND CLARIFICATIONS ON ACCESSORY DWELLING UNITS – CLARIFICATIONS

ISSUE:

Receive and file a report on the definitions and fees related to accessory dwelling units.

RECOMMENDATIONS:

That the City Council receive and file an update on the definitions and fees related to accessory dwelling units.

DEVELOPMENT COMMITTEE RECOMMENDATION:

On June 20, 2019, the Development Committee met with Chair Gardner and Vice Chair Perry present. Following discussion, a motion was made by Vice Chair Perry and seconded by Chair Gardner to 1) receive and order filed the update on accessory dwelling unit definitions and fees; and 2) forward the report to the City Council. The motion carried unanimously.

BACKGROUND:

On February 19, 2019, the City Council introduced an ordinance amending the accessory dwelling units (ADU) provisions of Title 19 – Zoning Code in the Riverside Municipal Code. The updated ADU provisions, which brought the ADU regulations into compliance with State legislation, became effective on April 5, 2019.

At the City Council meeting on April 2, 2019, Councilmember Gardner requested that staff clarify and evaluate how fees are being assessed for ADUs. On June 20, 2019, the Development Committee received a report that included:

- A. Clarification of definitions;
- B. Summary of State legislation on fees; and
- C. Summary of fees in the City of Riverside.

DISCUSSION:

A. Clarification of Definitions

The City of Riverside is committed to developing housing units, including small housing units typically up to 1,200 square feet, to help address the housing shortage in the State of California. There are many terms, at the local and State levels, used to describe small housing units. A summary of these terms, as they relate to and impact the City of Riverside, follows.

Accessory Dwelling Units, Junior Accessory Dwelling Units and Room Rentals

State legislation (Section 65850) includes regulations for accessory dwelling units (ADU) and junior ADUs (JADU) which can be characterized as small housing units.

ADUs in the City of Riverside are regulated under Title 19 - Zoning Code. Requirements for ADUs include:

1. Located on the same lot as the permitted primary home;
2. Independent living quarters with both kitchen and bathroom facilities;
3. Attached or detached from the primary home;
4. Owner occupancy of either the primary home or the ADUs, with some exceptions for affordable housing providers;
5. Separate addresses to ensure fire, police and mail services;
6. Maximum size of 1,200 square feet;
7. No additional parking requirements; and
8. An ADU can be rented if a covenant is put in place.

JADUs are not regulated in the City under the Title 19 - Zoning Code, but State legislation would apply. Requirements for JADUs, under State legislation, include:

1. Located in an existing single-family residence;
2. Kitchen facilities (efficiency) and a private or shared bathroom;
3. Creation in an existing, legal bedroom;
4. Owner occupancy of the primary structure with a separate exterior entrance and entrance to the interior of the house for the JADU;
5. Maximum size of 500 square feet;
6. No additional parking requirements; and
7. Can be rented if a covenant is put in place.

Title 19 – Zoning Code allows for the renting of rooms to individuals based on specific criteria and regulations. The main difference between a JADU and a room rental is the requirement for an efficiency kitchen; room rentals do not have this requirement. For room rentals, requirements include:

1. Allowed in any single-family residence;
2. Two individuals allowed - Base zone standards apply;
3. Three or four individuals allowed with a Room Rental permit (no cost);
4. For all Room Rentals:
5. The rental cannot result in harm to the health, safety or general welfare of the surrounding neighborhood;
6. The rental cannot create substantial adverse impacts on adjoining properties or land uses;

7. Noise Ordinance compliance is required;
8. Neighborhood peace and order in the neighborhood must be maintained; and
9. The property must be maintained.

Accessory Structures (Accessory Living Quarters)

Title 19 – Zoning Code defines accessory structures as a use or structure that is subordinate to or incidental to a main building. This can include, for example, a garage, shed or accessory living quarter on a lot with a single family home. An accessory living quarter is not a dwelling unit and kitchen facilities are not allowed. Accessory living could include a pool house, guest house, guest unit or casita. Accessory living quarters cannot be rented and a covenant is required.

Tiny Homes and Tiny Home Communities

In the City of Riverside, Title 19 – Zoning Code allows tiny homes, in tiny home communities, which can also provide affordable housing. Specifically, tiny homes include:

1. At least 100 square feet;
2. Self-contained, independent living quarters (kitchen, bathroom, sleeping);
3. Designed to look like conventional homes;
4. Licensed and registered with DMV (on a chassis);
5. Cannot be moved under own power (not an RV); and
6. Served with underground utilities.

Cottage Homes

The term cottage home is often used in the City of Riverside to describe a small housing unit. The term is not defined in Title 19 - Zoning Code, but could be used to characterize an accessory dwelling unit or tiny home which are defined. An example of cottage homes in the City would be the development of the homes at the Grove Church.

B. Summary of State Legislation on Fees

ADUs include independent living quarters that are only allowed on a lot with a single-family residence meeting certain standards, and ADUs may be rented. The State legislation eliminates barriers to developing ADUs and mandates streamlining for approval. In some cases, the legislation limits the local jurisdictions' authority to impose regulations.

C. Summary of Fees in the City of Riverside and Next Steps

Community & Economic Development

Building & Safety Building Permit and Plan Check Fees have been established in the City's Schedule of Fees. Fees for ADUs are based on a project's specific scope of work, value and size. Fees collected recover costs to provide services rendered for plan check, permit issuance and the inspection process. This fee methodology is applied to all construction projects in the City, including accessory dwelling units. Because Building & Safety fees are based on a project's scope, value and size, permit fees are commensurate to the actual work performed and therefore no change in methodology is proposed for accessory dwelling units.

Planning fees related to accessory dwelling units include a \$236 plan check fee for all accessory dwelling units. Planning will continue to require a plan check fee for accessory dwelling units.

Moving forward, Community & Economic Development will prepare a comprehensive policy, program and ordinance (Program) as it relates to accessory dwelling units (ADU), junior ADUs, tiny homes and tiny home communities and fees to ensure that all scenarios are addressed moving forward. As part of this Program, pamphlets and education materials will be developed to help residents understand the differences, what fees apply and when they will have to pay the fees. Standard plans for ADUs will also be developed to facilitate the development of ADUs and reduce costs.

Public Works

Public Works development impact fees applied to ADUs were initially applied similarly to single-family residential units (SFR). WRCOG has determined that ADUs are exempt from TUMF fees. The following fees were applied:

1. Transportation Impact fee (\$525);
2. Traffic and Railroad Signal Mitigation fee (\$190);
3. Sewer Capacity Fee (\$4,143);
4. Storm Drain Fee for additions and new structures (Fee is based on additional roof square footage); and
5. Street Trees Fees (Base Fee of \$52.00 plus \$0.52 per linear foot of lot frontage).

Moving forward, because City staff has determined that State Legislation prohibits applying a sewer capacity fee to ADUs unless the applicant requests a new sewer lateral to service the ADU, Public Works will apply the following:

1. Transportation Impact fee (\$525);
2. Traffic and Railroad Signal Mitigation fee (\$190);
3. Sewer Capacity Fee ONLY if applicant requests a new sewer connection (\$4,143);
4. Street Trees Fees (Base Fee of \$52.00 plus \$0.52 per linear foot of lot frontage); and
5. Sewer Service Fee – (An ADU would be subject to the residential basic single family monthly flat rate, currently \$39.59 per month for non-pumping areas and \$45.73 for pumping areas).

Parks, Recreation & Community Services

Parks, Recreation & Community Services applies fees to ADUs that are similar to fees for apartments. Fees that have been assessed to ADUs include the following development impact fees:

1. Local Park Fee (\$3,045 - 34% reduction from SFR fee);
2. Aquatics Fee (\$295 - 34% reduction from SFR fee);
3. Regional Park Fee;
4. Existing - typically exempt;
5. Assess 12.6 cents per new sq. ft. of building;
6. Trail Fee;
7. Existing - typically exempt; and
8. Assess 0.179 cents per new sq. ft. of building.

** Note – the Regional Park Fee and Trail fees average \$15/ADU.*

A summary of recommended ADU fees and how they compare with other residential dwelling types includes:

FEES	SFR ¹	ADU	Duplex	Triplex/Quad	5+	Apartment	Mobile Home
Local Fee	\$4,646	\$3,045	\$4,065	\$3,653	\$2,615	\$3,045	\$2,832
Aquatic Fee	\$435	\$295	\$398	\$340	\$235	\$295	\$280
Avg. Res/DU ²	3.2	2.1 ³	3.0	2.5	1.75	2.2	2.0
% of SFR	100%	66%	87%	79%	56%	66%	61%

¹Current fee is 73% of 2005 Park Financial Strategy Plan consultant recommendations.

² Average Residents per Dwelling Unit per 2005 Park Financial Strategy Plan.

³ Average Residents not available. Even though an ADU is constructed on a SFR lot it is most similar to an apartment complex unit in size and use.

Moving forward, Parks, Recreation and Community Services recommends continuing payment of impact fees proportional to the impact on park and recreational services. In addition, the 2005 Park Financial Strategy Plan, which is approximately 15 years old, should be updated to reflect the increase in parkland acquisition, construction cost and the ADU fee. Parks, Recreation and Community Services will work with Finance to hire a consultant to prepare the study with updated fees, including ADU fees, for City Council action.

Riverside Public Utilities (RPU)

RPU Electric Department charges fees on ADU construction when upgrade or changes to the electrical service are required. A separate electric meter can be installed to meter the ADU usage separately at the applicant's request, but it is not required. Typical fees to disconnect and reconnect the electrical service to facilitate an upgrade to the electrical panel range from \$200-\$450. Typical costs range from \$2,000-\$6,000 for design and installation of a new electrical service if one is required by the project.

Moving forward, RPU Electric Department will continue to assess fees on service upgrades and new service installations only. Separate meters will not be required for an ADU, but will remain available as an option.

RPU Water Department charges fees on ADU construction when a separate dedicated water service and meter are requested by the applicant to serve the ADU. There is no requirement to provide a separate water meter for the ADU, but the option is available to the applicant if they wish to segregate usage (typically for a rental). If a separate water service and meter is requested, Backup Facility Capacity Charges and Water Service Connection Charges (construction) are assessed in accordance with current City of Riverside Water Rules. The typical charges for the addition of a meter to an existing served lot to serve an ADU are approximately \$3,600.00.

Moving forward, RPU - Water Division will continue to assess fees on new meter installations only. Separate meters will not be required for an ADU, but will remain available as an option.

The Directors of the Department of Public Works and Parks, Recreation and Community Services Department and the General Manager of Riverside Public Utilities all concur with this staff report.

FISCAL IMPACT:

Community & Economic Development

The cost to prepare the comprehensive policy, program and ordinance (Program) and the standard plans for accessory dwelling units (ADU) will cost approximately \$150,000. Building & Safety, Housing Authority and Planning staff will apply for the SB2 Planning Grant to cover the cost of this initiative which will facilitate the production of affordable housing units in the City of Riverside. In preliminary discussions with the State's technical assistance, this is the type of program that the non-competitive grant is geared to fund and staff is confident the funding will be provided.

All fees for CEDD are in accordance with the adopted master fee schedule and will remain the same with no impact to the General Fund.

Public Works

Public Works will continue to evaluate the demand of ADUs on sewer infrastructure – both conversions and new structures. If ADU demand shows that reduced impact fees should be applied for new connections, the City's Sewer Master Plan Cost of Service Study, currently being completed, will evaluate the impacts and consider proportionate fees that should apply. The Public Works Department would absorb the cost of this as part of the Sewer Master Plan Cost of Service Study.

Parks, Recreation and Community Services

Park fees applied to all dwelling units are a development impact fee. These fees are proportional to the impact on the park system. For ADUs, a fee of approximately 34% less than a single-family residential unit, is applied. Should City Council determine that these fees be reduced further, that reduction will have an impact on the General Fund based on which fees are reduced.

Riverside Public Utilities

All fees for RPU will remain as they are today and there will be no impact to the General Fund.

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

Concurs with:



Mike Gardner, Chair
Development Committee

Attachment: 1. Presentation