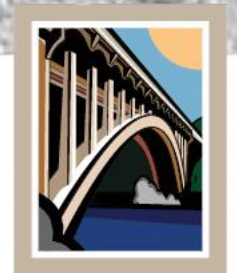


A grayscale photograph of a two-story house with a porch. A circular sign on the roof reads 'SWEET HOME'. The house has a gabled roof and a front porch with a railing. There are some plants in the foreground.

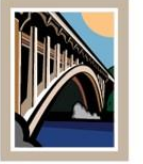
Home-Based Business in Residential Areas: A Review of City Home Occupation Permit Requirements

Planning Commission
Workshop – May 5, 2021



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Purpose



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- Review City policies related to home-based businesses
- Review current City Zoning Regulations
- Discuss if changes are needed;
- If changes are desired, then:
 - What type of changes are needed?
 - Permanent changes or pilot program?



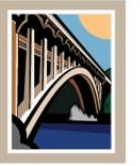
Workshop Topics



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- Background
- Current Regulations
- Folsom's Rules Compared to Others
- Current Issues
- Home Occupation Complaints
- Recent Trends
- The Challenge/Trade-Offs
- Examples
- Direction and Questions
- Next Steps

Background – Definition

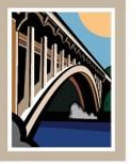


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What is a Home Occupation (aka Home-Based Business)?

- Is any business-related use within a residential structure or accessory structure that is secondary to the residential use.
- Can be located in a single-family home, duplex, apartment unit, or in an accessory structure.

Background – General Plan Vision

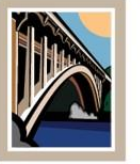


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Guiding Principle #12 - Preserve the High Quality of Folsom's Neighborhoods:

Preserve the high quality of Folsom's neighborhoods by maintaining quality housing stock, walkability, convenient access to parks and trails, attractive landscaping, and functional and efficient infrastructure.

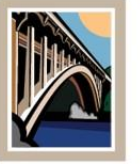
Background - Policy



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- General Plan Policy LU 6.1.8 (Home-Based Businesses):
 - *With issuance of a home occupation permit, allow home offices and home-based businesses that are compatible with the character of the residential unit and do not significantly impact the neighborhood.*
- Chapter 17.61 regulations “home occupations” (home-based businesses) and the purpose is:
 - *To recognize the residence as a viable location for certain types of occupations and to ensure the compatibility of home occupations with principal residential uses, protecting the integrity and character of the neighborhood by minimizing negative impacts of commercial uses being conducted in residential areas.*

Current Regulations



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- Chapter 17.61 of Zoning Code regulates:
 - Size: No more than 25% of home
 - Employees: Residents plus 2 non-resident employees
 - Clients: No more than 2 at one time; 8 per day maximum
 - Vehicles: 1 commercial vehicle (up to 1 ton)
 - Parking: Off-Street parking space required for commercial vehicle
 - Deliveries: 1 per day
 - Signage: 1 square foot
 - Nuisances: No noise, smoke, odors, glare, electrical interference or vibrations
 - Other conditions may be applied as necessary

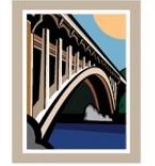
Current Regulations - Process



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- Home Occupation Permit process:
 - Home occupation permit application required
 - Typically, City business license also required
 - Allowed in all residential zones
 - Subject to Community Development Director review and approval
 - Approval or denial may be appealed to Planning Commission
 - Commission may add additional conditions
 - Commission decision may be appealed to City Council
 - Annual permit – must be renewed each year
 - Finance Department handles renewals
 - Code Enforcement handles complaints and violations

Regional Comparison



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Jurisdiction	% of Home	Number of Employees	Max. Clients at One Time	Max. Clients Per Day	On-Site Sales	Storefronts Allowed?	Signage Allowed	Max. Signage Size	Illuminated Sign?	Number of Business Vehicles
Folsom	25%	Residents + 2	2	8	Yes	No	Yes	1 sq. ft.	No	1
Auburn	--	Residents Only	--	--	No	No	No	--	No	0
Citrus Heights	20%	Residents + 1	2	8	Limited*	No	Yes	1 sq. ft.	No	2
Rancho Cordova	--	Residents Only	--	--	Limited*	No	Yes	4 sq. ft.	No	2
Rocklin	--	Residents + 1	--	--	Yes	No	Yes	2" x 10"	No	1
Roseville	15%	Residents Only	1**	--	No	No	No	--	No	1
Sacramento City	10%	Residents + 1	1	8	Yes	No	No	--	No	1
Sacramento County***	20%	Residents Only	2	8	Limited*	No	Yes	4 sq. ft.	No	0

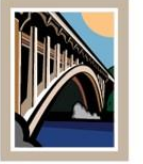
Notes:

*Limited only to sales of products produced by residents.

**One (1) student per hour allowed. Otherwise, clients not allowed unless granted by the Approving Authority.

***Sacramento County has a separate category for home-based family contractor businesses. It also has a special category of businesses subject to additional restrictions.

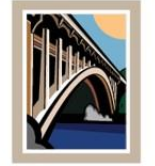
Current Issues



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- Home occupation permit rules have worked reasonably well
- However, changes are needed due to issues and complaints
- Issue Areas:
 - No list of prohibited businesses
 - Businesses not allowed in BP or C-1 zones could be allowed
 - Number of clients at the same time and per day
 - Storefront requests
 - On-site sales
 - Number of deliveries
 - Mobile businesses
 - Offices and storage
 - Small manufacturing and technology businesses

Home Occupation Complaints



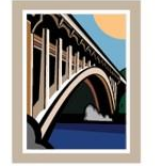
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Over past 5 years 90 complaints received

Complaints related to:

- Noise
- Too many vehicles
- Commercial vehicles and trailers parked at the home or on the street
- Product and materials stored on-site and visible to the public
- Too many employees
- Too many visitors
- Too many deliveries
- On-site sales in the home
- Late night activity
- Signs (e.g., large signs, lighted signs, and neon signs)
- Alterations to the home without a building permit
- Odors
- Pollution (e.g., fluids poured down storm drains)
- Visibility of commercial activities
- Use of public right of way

Recent Trends

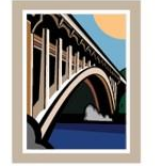


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- Some cities like Seattle, Chicago, and Portland have considered relaxing home occupation rules
- Only Seattle has adopted pilot program
 - That program did the following for one year:
 - Increased number of employees allowed on-site
 - Allowed more clients and visitors
 - Allowed on-site sales
 - Allowed larger signage (up to 5 sq. ft.)
 - Allowed storefronts
- No jurisdictions in Sacramento region changed their home occupation rules during the pandemic



Recent Trends (continued)

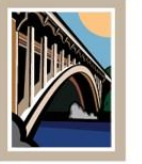


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- Accessory Commercial Uses
 - Like ADUs
 - Allowed in residential areas
 - Have retail or office storefronts
 - Some are used as offices and others are used as retail spaces
- Home offices in Accessory Structures
 - Trend has grown with pandemic
 - Allowed in Folsom, but cannot have visible office store front
 - Must have residential design



The Challenge



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- Balancing competing interests:

Resident's expectations for their residential neighborhood

vs.

Resident's desire for successful home-based business

Example: Home-Based Café



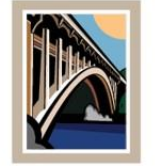
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Home-Based Café:

- Portion or home converted to café
- Home-based business with on-site sales
- Retail signage
- Visible from street

Example: Home-Based Cider Shop in Garage



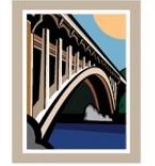
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Yonder Cider:

- Located in Greenwood neighborhood in Seattle
- Provides tasting and sales of hard cider
- Garage converted into cider shop
- Retail storefront can be screened by garage door
- External sign
- Very popular in neighborhood
- Reason for Seattle's pilot program

Example: Home-Based Coffee Shop in ACU



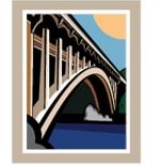
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ACU:

- Attached to existing home like attached ADU
- On-site sales
- Retail storefront
- Visible from street

Example: Home-Based Massage Therapist



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Massage Therapist:

- Located in Folsom (since closed)
- Had home occupation permit
- Had business license
- Subject to State regulation (CA Massage Therapy Council)
- Illuminated neon sign (not allowed)
- On-site services
- Separate entry
- Except for signage, maintains residential appearance

Example: Live-Work Unit



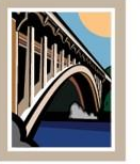
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Live-Work Unit:

- Home built with large office area
- Office storefront
- Live-work unit more suitable in a commercial corridor or in mixed-use district
- More commercial than residential in nature

Example: Home-Based Salon in Garage



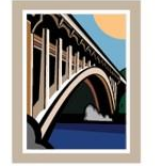
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Salon:

- Conversion of home garage
- Creates new salon
- Storefront on ground floor
- Visible from street

Example: Home-Based Gym in Garage



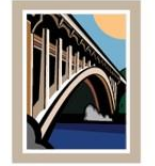
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Fitness Studio:

- Conversion of garage
- For gym/ fitness studio
- Provides group workouts and personal training services
- Maintains residential appearance with garage door

Example: Home-Based Coffee Shop in ACU



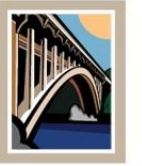
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Accessory Commercial Unit:

- Conversion of shed
- Created coffee shop
- Maintains residential appearance
- Not visible from street
- Provides on-site coffee sales

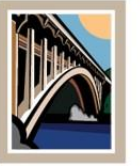
Direction



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- Are changes needed?
 - If yes, do you favor more flexibility or more regulation?
- If flexibility preferred:
 - Pilot program for limited term?
 - OR
 - Permanent changes to ordinance?
- If additional regulation preferred:
 - Keep current rules, but improve and clarify?
 - Rework and new rules?

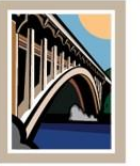
Specific Questions



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- **Storefronts and Residential Compatibility:**
 1. Should office or retail storefronts be allowed?
 2. Allowed only in certain areas or zones?
 3. What is impact on residential neighborhood?
 4. What is impact on existing small retailers in Folsom?
- **Limitation on Clients:**
 5. Should City relax limits on number of clients/customers per day?
- **Home-Based Business Activity On-Site vs. Off-Site:**
 6. Should there be different rules for mobile or construction businesses?
 7. Should more on-site employees be allowed?
- **Home Offices and Storage:**
 8. Should the City further limit the storage of goods and prohibit certain types?
- **Deliveries for Home-Based Businesses:**
 9. Should the City increase the number of allowed deliveries per day?

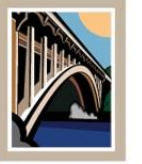
Specific Questions (continued)



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- **On-Site Sales and Services:**
 10. Should the City limit on-sales activity?
 11. Should City relax limits on number of clients/customers per day?
- **Small Manufacturing and Technology Businesses:**
 12. If they meet City rules, should they continued to be allowed?
- **Prohibited or Conditionally Permitted Uses as Home Occupations:**
 13. Should a use that is prohibited in C-1 and BP zones be prohibited?
 14. Should a use that is conditionally permitted in C-1 and BP zones, require both a HOP and a CUP if it is a home-based business?
- **Home-Based Businesses and Signage:**
 15. Should the size of the signage be increased?
 16. Should lighting be allowed for the sign?

Next Steps



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- If changes recommended, staff would return with proposed revisions
- Revisions would be presented to Council for review and adoption
- If no changes, staff will report back to Council



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Discussion and Questions

Planning Commission Workshop



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Thank You!

Contact:

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Community Development Dept.

Email: dparrington@folsom.ca.us /Phone: 916-461-6233