Chapter 17.61 - Home Occupations
Revisions to the City’s Home Occupations Ordinance

City Council
Public Hearing – March 8, 2022
Staff recommends that the City Council introduce and conduct the first reading of Ordinance No. 1325 - An Ordinance Repealing and Re-Enacting Chapter 17.61 of the Folsom Municipal Code Pertaining to Home Occupations.
Key Issues and Questions

1. Types of businesses allowed?
   - Sale of firearms?
   - Sale of ammunition?
   - Manufacture and sale ammunition?
   - Tattoo parlors?
   - Assembly and manufacturing?

2. If not allowed in commercial zones, should they be allowed as home occupations?

3. Should homes be allowed to create commercial storefronts for home-based businesses?

4. Does the Council want to hear appeals for home occupation decisions?
Planning Commission Recommendations

- Recommended the following changes on 9/1 and 11/17:
  - Increased number of allowed firearms sales from 2 at a time to 4
  - Removed tattoo parlors, ammunition sales, ammunition manufacture and reload sales, and assembly and manufacturing from prohibited uses list
  - Increased number of customers/clients from 2 at a time to 4
  - Increased number of daily customers/clients from 8 to 10
  - Did not want only one level of appeal
- Voted 6 to 1 to recommend ordinance to Council
- All these changes including in proposed ordinance
Planning Commission Recommendations (continued)

• Commission wanted to encourage home-based business activity and provide flexibility

• Businesses removed from prohibited uses list already subject to State and/or Federal regulation and oversight including:
  • Sale of firearms
  • Sale of ammunition
  • Manufacture and sale ammunition
  • Tattoo parlors
Community Development Dept. asked to revisit Home Occupation regulations due to the following:

• Retail storefronts at home-based businesses
• Concern over outdated requirements
• COVID and recent trends leading to more residents working from home
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.
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.
**Existing Regulations**

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
- **Additional Conditions:** May be applied as necessary
- **Uses:** No prohibited uses list
Current HOP Process

Home Occupation Permit Process

- Home occupation permit application required
- City business license also required
- Allowed in all residential zones
- Subject to Community Development Director review and approval
- Must comply with regulations in 17.61 of FMC
- 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 Standards Comparison

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>% of Home</th>
<th>Number of Employees</th>
<th>Max. Clients at One Time</th>
<th>Max. Clients Per Day</th>
<th>On-Site Sales</th>
<th>Storefronts Allowed?</th>
<th>Signage Allowed</th>
<th>Max. Signage Size</th>
<th>Illuminated Sign?</th>
<th>Number of Business Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folsom (Existing)</td>
<td>25%</td>
<td>Residents + 2</td>
<td>2</td>
<td>8</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1 sq. ft.</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Folsom (Proposed)</td>
<td>25%</td>
<td>Residents + 2</td>
<td>4</td>
<td>10</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1 sq. ft.</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Auburn</td>
<td>--</td>
<td>Residents Only</td>
<td>--</td>
<td>--</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>--</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>20%</td>
<td>Residents + 1</td>
<td>2</td>
<td>8</td>
<td>Limited*</td>
<td>No</td>
<td>Yes</td>
<td>1 sq. ft.</td>
<td>No</td>
<td>2</td>
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<tr>
<td>Rancho Cordova</td>
<td>--</td>
<td>Residents Only</td>
<td>--</td>
<td>--</td>
<td>Limited*</td>
<td>No</td>
<td>Yes</td>
<td>4 sq. ft.</td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Rocklin</td>
<td>--</td>
<td>Residents + 1</td>
<td>--</td>
<td>--</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>2&quot; x 10&quot;</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Roseville</td>
<td>15%</td>
<td>Residents Only</td>
<td>1**</td>
<td>--</td>
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<td>No</td>
<td>No</td>
<td>--</td>
<td>No</td>
<td>1</td>
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<tr>
<td>Sacramento City</td>
<td>10%</td>
<td>Residents + 1</td>
<td>1</td>
<td>8</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>--</td>
<td>No</td>
<td>1</td>
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<tr>
<td>Sacramento County***</td>
<td>20%</td>
<td>Residents Only</td>
<td>2</td>
<td>8</td>
<td>Limited*</td>
<td>No</td>
<td>Yes</td>
<td>4 sq. ft.</td>
<td>No</td>
<td>0</td>
</tr>
</tbody>
</table>

**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.*
## Regional Uses Comparison

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>On-Site Firearm Sales</th>
<th>On-Site Ammo Sales</th>
<th>On-Site Ammo Manufacture/Reload</th>
<th>Manufacturing</th>
<th>Tattoo/Body Art</th>
<th>Massage Therapy</th>
<th>Animal Kennels</th>
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<tbody>
<tr>
<td><strong>Folsom (Existing)</strong></td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
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<td>Y</td>
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<tr>
<td><strong>Folsom (Proposed)</strong></td>
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<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Auburn</td>
<td>N*</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Citrus Heights</td>
<td>N*</td>
<td>N</td>
<td>N</td>
<td>N**</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Rancho Cordova</td>
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<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Rocklin</td>
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<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Roseville</td>
<td>N</td>
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<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Sacramento City</td>
<td>N*</td>
<td>N</td>
<td>N</td>
<td>N**</td>
<td>N</td>
<td>Y</td>
<td>N***</td>
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<tr>
<td>Sacramento County</td>
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<td>N</td>
<td>N</td>
<td>N**</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
</tbody>
</table>

### Notes:
- *Online, mail order, or off-site sales only
- **Limited to repair of home electronics and small appliances only.
- ***Kennels not allowed but pet services, such as pet sitting, grooming, training, and veterinarian care are allowed subject to additional conditions.
Current Issues

• Home occupation permit rules have worked reasonably well
• Updates need due to some recent issues and complaints
• Ordinance Issue Areas:
  • No list of prohibited businesses
  • Number of clients at the same time and per day
  • Storefronts
  • On-site sales
  • Number of deliveries
  • Mobile businesses
  • Offices and storage
Over past 5 years approx. 100 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
Outreach

- Published Required 10-day Public Hearing Notice
- Emails to approx. 1,000 home-based business owners in Folsom
- Email 4 weeks and 1 week before hearing to over 500+ residents, neighborhood associations, businesses, developers, and other stakeholders
- City social media post and article in City e-newsletter
Outreach (continued)

- May 5, 2021: Public Workshop with Planning Commission
- September 1, 2021: Initial Planning Commission Public Hearing
- November 17, 2021: Final Planning Commission Public Hearing
- Information posted on City’s Zoning Code update webpage:

  [www.folsom.ca.us/zoningcode](http://www.folsom.ca.us/zoningcode)
May 5th Commission Workshop

Staff reviewed issue areas with Commission and public
Commission feedback:

• Support for update to ordinance
• Support for update to home occupation definition
• Support for increased deliveries
• Support for prohibited uses list
• Support for prohibiting uses not allowed in C-1 and BP zones
• Concern over allowing home businesses to be open until 10 pm
• Commission had mixed views on increasing number of visitors per day
• Commission had mixed views on allowing retail storefronts
  • Supporters wanted design standards and/or storefronts covered when not in use
Proposed Ordinance Revisions

Clarified home occupation definition
  • Permit only needed if on-site sales, storage, or in-person services

Prohibited uses list created
  • Prohibited uses incompatible with residential neighborhood
  • Number of prohibited uses reduced by Planning Commission

Increased number of pickups/deliveries
  • Increased number of pickups/deliveries from 1 per day to 4 per day

Hours of operation
  • Changed from 7 am to 10 pm weekdays and 8 am to 6 pm weekends to 8 am to 8 pm everyday

State and federal licensing
  • If state or federal license required, then must submit copy with application

Number of clients/customers
  • Increased clients from 2 to 4 per visit
  • Increased from 8 to 10 per day
Proposed Ordinance Revisions

Firearms sales and storage

• Commission increased number of firearms sold at one time from 2 to 4 per customer

• Commission removed ammunition sales and ammunition manufacture and sale from prohibited uses list

• Staff made all home-based gun sales applications subject to approval by the Folsom Police Department

• Staff added specific requirements from Police for homes involved in firearms and ammo sales
No Changes

No retail storefronts

- Allowing would conflict with General Plan Policy 6.1.8
- Would change residential character of residential neighborhood
- Other alternatives available to promote business

Sign size

- Kept size at 1 square foot
- Illumination still prohibited

Number of Appeals

- Staff recommended reducing appeals to 1 level (Commission only)
- Planning Commission want 2 levels of appeal (Commission and Council)
- Remains at 2 levels of appeal
No Changes (continued)

**Business area**
- Kept at maximum of 25% of home
- Accessory structures included in home area calculation

**Number of employees**
- Kept at no more than 2 non-resident employees
- No more non-resident employees than resident employees

**Parking**
- Off-street parking still required for business vehicles
Potential Zoning Inconsistencies

Uses Limited in Commercial Areas but Allowed in Residences

- Gun Stores:
  - Subject to CUP in commercial zones
  - Store must be 1,000 feet from schools and 500 feet from residences
- Tattoo Parlors
  - Not allowed in some commercial zones or requires CUP
- Manufacturing and Assembly
  - Not allowed in most commercial zones
  - Requires CUP in C-3 zone
Additional Input

- Following September and November Commission meetings, staff received additional input
  - Many residents opposed to or concerned about firearms/ammo sales
  - Existing home-based firearms sellers concerned about losing their business
  - Fire Department opposed to allowing ammunition manufacture and reload at homes due to safety risk

- Refer to staff report and attachment 4 for more details
Staff recommends that the City Council introduce and conduct the first reading of Ordinance No. 1325 - An Ordinance Repealing and Re-Enacting Chapter 17.61 of the Folsom Municipal Code Pertaining to Home Occupations.