



## MEMORANDUM

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**TO:** Trinidad City Council

**FROM:** Trever Parker, City Planner

**DATE:** May 26, 2015

**RE:** Planning Commission Recommendation on VDU Ordinance Amendment

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At your April 8, 2015 meeting, the Council requested that staff bring back an amendment to the VDU ordinance that would remove the limitation of allowing only one VDU per parcel for lots with more than two dwelling units, but that would keep the limitation for parcels with only two dwellings. Section 17.68.030 of the zoning ordinance requires the Planning Commission to hold a public hearing on any zoning ordinance amendments. Therefore, the Planning Commission discussed the amendment at their meeting on May 20, 2015. A notice of that hearing was sent to the Coastal Commission and posted around town on May 6, 2015. Section 17.68.040 prohibits the Council from taking final action on an amendment until at least six weeks after the public notice, which would be June 17, 2015.

The Planning Commission recommended against the amendment for a variety of reasons, which are further described below.

The proposed language in the attached draft ordinance would remove the prohibition on multiple VDUs on parcels with multifamily dwellings, while retaining the one VDU per parcel requirement on lots with second units. I specifically used the term “multi-family dwelling” because it is defined in the City’s zoning ordinance as: *“a building or portion thereof used and / or designed as a residence for three or more families living independently of each other, and doing their own cooking in the building, including apartment houses, but not including transient accommodations.”* The language of *“one fewer than the total number of dwelling units”* was based on a Councilmember suggestion. At the Planning Commission, it was suggested that *“75% of the total number of dwelling units”* might be more appropriate if the Council pursues the amendment.

The staff report for the Planning Commission meeting noted that the use of the term “multi-family dwelling” restricts the applicability of the amendment to

only two developed parcels in town that staff knew about – the Reinman apartments at 651 Parker Street (3 of which have been VDUs) and the Beachcomber apartments (none of which are currently VDUs) at 363 Trinity. At the meeting, one Commissioner stated that they thought there was a tri-plex at 476 View Avenue as well. I confirmed that this is in fact the case. In addition, the ordinance would also apply to several large Planned Development lots in town when they are eventually developed, including the lot behind Murphy's, the horse pasture (2 parcels) and just east of Hidden Creek RV Park. These four parcels total almost 10 acres with the potential for somewhere around 37 additional housing units under current regulations. (This is the reason that 75% was suggested as a more appropriate alternative.)

After quite a bit of discussion, the Planning Commission approved the following recommendation with a (4-0) vote: *Recommend that the amendment to the VDU ordinance not be pursued at this time for the following reasons:*

- The language limiting VDUs to one per parcel was not a mistake. It was put in purposefully, and for a good reason, at a public meeting several months before the ordinance was adopted. It was also included in the recommended ordinance of the original VDU Committee that was derived based on consensus.
- The amendment is important to protect the affordable housing stock in Trinidad, particularly in multi-family dwellings, which tend to be cheaper to rent.
- It is also important for maintaining community structure with neighborhoods and residents that can serve on governing bodies, committees and other volunteer services such as the Trinidad Volunteer Fire Dept.
- The amendment seems reactionary and designed to benefit one property and one property owner. It does not appear that it was fully vetted.
- It also does not fit with the direction that the Council is currently moving toward in consideration of a moratorium and future cap on the number of VDUs. These larger issues will be considered in the next year, and this amendment should be discussed as part of the bigger picture.
- The ordinance has not even been implemented yet, so it is premature to be considering amendments. The ordinance itself calls for a review within two years. The amendment is not likely to receive certification in time for this summer season anyway.
- The amendment needs more public input and should go back to a Committee.
- The future development potential of several large PD lots in town make the amendment problematic in relation to the possible ramifications. There are other unknown implications that need further study. This includes other possible existing multi-family dwelling units in town that City staff may not know about.

- Finally, the 4-plex is within the Urban Residential Zone, which calls for single-family residences. Most other VDUs in town are also in this zone. It seems like bad precedent to allow such an intensive use in that zone.
- As part of their recommendation, the Planning Commission suggested that the meeting recording could provide more detailed insight into this discussion and the Planning Commission's reasoning for recommending against the amendment. They also suggested that other types of short-term rentals, such as room rentals (airbnb) should be considered as part of this larger discussion.

### **Process for Revising the Ordinance:**

If the City Council wants to continue to pursue the amendment, it must hold a public hearing and two readings of the proposed ordinance (total of two meetings, with the second reading potentially on the consent agenda). This amendment will also need to be certified by the Coastal Commission prior to it taking effect. The same application process that occurred for the certification of the original ordinance will be required for any amendments. It was originally assumed that this would be a relatively short process, without the need for negotiations between City staff and Coastal Commission staff. While a full application still has to be prepared, Coastal Commission staff originally indicated that this should be considered a minor amendment.

However, regulations on VDUs have been evolving even in just the past few months. At a May 14 hearing on an amendment to the Santa Cruz County VDU ordinance, the Coastal Commission Chair asked staff to address the issue of VDUs in buildings with "shared walls" such as condos and apartments for future ordinances and amendments. This is more of an issue for individually owned condos. But, if the City submits this amendment in the next few months, it will likely be the first one that has to address this new issue. Coastal Commission staff indicated to me that the process for certification will not be as simple and short as originally anticipated. Commission staff will ask for an analysis of how many units the amendment could potentially affect now and at build out. Some of that information has been included in this memo, but it might or might not be considered a 'minor' amendment. So the timeline (and cost) is unknown at this point.