

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Ann Arbor Planning Commission Meeting of May 18, 2021

SUBJECT: Amendments to Chapter 55 (Unified Development Code) to Amend Home Occupation Regulations.

PROPOSED CITY PLANNING COMMISSION MOTION

An Ordinance to Amend Section 5.16.6 of Chapter 55 of The City Code – Unified Development Code to Amend Home Occupations Regulations

UPDATE:

On April 6, 2021, City staff presented a series of proposed modifications to the Home Occupation provisions of the Unified Development Code. After adoption, the Planning Commission reconsidered this action, and postponed reconsideration to the May 18, 2021 Planning Commission meeting. As part of this reconsideration, different modifications were presented to the Ordinance Revisions Committee. The attached ordinance reflects the following changes from the version adopted on April 6th:

- Elimination of uses. No uses are specifically exempt, permitted, or prohibited. This results in any use being permissible, so long as the home occupation satisfies all of the performance standards.
- Elimination of delivery day/time restrictions.
- Increase in the maximum number of client visits per day from 12 to 24.
- Removal of specific prohibition of cottage food industry complaint uses from accessory buildings (this does not impact the state legislative prohibition that exists for these uses).
- The addition of compliance with all applicable federal, state, and local ordinances. This ensures that as those businesses are incorporated into homes, they are compliant with any applicable regulations (e.g. food service, medical licensing, federal licensing, etc.)

SUMMARY (From April 6, 2021 Staff Report):

The City has long applied regulations and limitations to Home Occupations in the City Code. Over history, the regulations have regularly sought to provide the opportunity for Home Occupation, however, to limit and regulate such uses to ensure that they do not have adverse impacts on neighboring properties, infrastructure, and safety.

Over the past year, there have been shifts in commerce, work patterns and methods, and for some, a blurring between residence and workplace. These changes have resulted in a handful of circumstances in which work was shifted to a home occupation nature, and perhaps not in full compliance with the City's current codes and standards. In response, staff is presenting

proposed amendments to the City's current Home Occupation Regulations. The regulations as drafted are intended to accomplish the following:

- Specifically exempt some activities from the requirements, including: artisans, and home offices with no visitors.
- Maintain some current regulations in their existing form, including: Limiting such use to a maximum of 25% of the dwelling unit floor area; A maximum of one non-resident employee; Prohibition of outdoor activity and storage; and, Prohibition of noise, dust, odor, etc.
- Provide more specificity in the uses that are permitted and/or prohibited as Home Occupations. This change results ultimately in less flexibility as permitted Home Occupations are itemized, but provides more clarity of expectation and compliance than the current language below:

“ The following are typical examples of that which often can be conducted within the limits of these restrictions and qualify as Home Occupations. Uses that may qualify as Home Occupations are not limited to those named in this paragraph (nor does the listing of such a use automatically qualify it as a Home Occupation); . . . ”

- Expand and change the regulation of trips generated by the Home Occupation. Currently the regulations prohibit *“more than 10 Business related vehicle trips”* in any one day for the Home Occupation. This limit is vague in that it does not differentiate between deliveries, clients, or other trips generated by the Home Occupation. Likewise, the regulation limits no more than 5 distinct trips to a Home Occupation (e.g. presuming two trips per visit for an appointment, or music lesson, or other instruction session.) This is restrictive for many qualifying Home Occupation types.
- Provide additional opportunity for a Home Occupation to occur in an Accessory Building, while still be subject to the performance standards of the section. This would provide an opportunity for perhaps greater than 25% of the floor area of the dwelling, but still regulated in visits, employees, and overall square foot limitations.
- Adding hours of business activity limitations to any Home Occupation use.

Based on discussion at the Ordinance Revisions Committee Meeting of March 23rd, specific references to the Michigan Cottage Food Law were added.

c: City Attorney's Office
Community Services Area Administrator