TIFFANY CLARK, ESQ.

LAW OFFICE OF TIFFANY CLARK 3890 STEMMLER DRIVE SACRAMENTO, CA 95834

June 10, 2024

Sent Via Email

Sacramento City Council 915 I Street, 5th Floor Sacramento, CA 95814 Clerk@cityofsacramento.org

Re: 6/11/24 City Council Meeting Agenda Item #23—Call to Reject Fee Hikes #175/#176 and Direct Staff

Dear Mayor Steinberg, Councilmember Talamantes and other members of the City Council,

I am Sacramento attorney Tiffany Clark, urging you to seize the final opportunity to reject the two dramatic, <u>inequitable</u> and unusual fee hikes (#175/#176) targeting home businesses, or "home occupations," during tomorrow's City Council meeting, agenda item #23.

Both fee hikes would hit new home businesses the hardest—before they have earned a dime—as before operating *all* are required to pay a home occupation permit fee, which would increase by over 50%, and the time to request an exception to problematic home occupation regulations that might interfere with business operations is before operations begin.

Yet the fee to request exceptions would increase to over \$5,200, when so often home business owners are starting with \$1,200 or less in cash on hand, are less able to obtain outside business financing and are low income, minority, female, single and/or renters.

Of course, thanks to the Mayor, staff and councilmembers, there may soon be fewer problematic home occupation regulations (and so exception requests may be required less frequently), which my affected family members and I *deeply* appreciate.

However, more home occupation regulation reform is needed, exceptions will always be needed on a case-by-case basis, and there is no indication that the City is prepared to eliminate the universally required home occupation permit fee. Therefore, these fee increases, if given final approval, would be an ongoing, insurmountable burden to many aspiring home business owners.

Given all this, I urge the City Council to reject the two fee increases #175 and #176, and instead focus more on needed reforms. For example, I ask that the Council immediately direct staff to add one urgently needed additional amendment to those already set for a City Council hearing and vote on June 25, 2024, and encourage staff working on that amendment to take advantage of the expertise of Jennifer McDonald, who authored the 2022 report I often cite, has studied home occupation regulations extensively, has helped cities across the nation reform theirs, and has travelled here from out of state to speak with the City and offer her assistance.

The urgently needed additional amendment is one of the four discussed in my September 11, 2023 letter. As I explained there, the plain language of the four problematic home occupation code sections, City Code §§ 17.228.230.A.2, 4, 6 and 8, taken together with City Code § 17.228.230.A.1, effectively limit each household to no more than two home occupations—however innocuous—which *combined* may not involve more than three residents, 10% of the dwelling's square footage and a single, otherwise permitted, ordinary household vehicle.

A fourth amendment is needed to clarify this last limitation, what I call the "single vehicle limitation," described in City Code § 17.228.230.A.8 (which reads, "Only one vehicle of a size no larger than one ton shall be permitted in conjunction with a home occupation."), as read in the context of City Code § 17.228.230.A.1 (which reads, "All of the requirements stated in this section 17.228.230 shall apply to each permitted residence without regard to the number of home occupation permits issued for the residence.").

Without the single vehicle limitation squarely addressed with an amendment to City Code § 17.228.230.A.8, rather than with just the interpretive clarification staff has offered, ¹ I fear the best case result will be *public confusion* and the worst case result will be that some *households* may still be effectively limited to as few as one or even zero home occupations.

Best case, public confusion will result because the wording of staff's interpretive clarification of City Code § 17.228.230.A.8 is a little unclear and is directly at odds with the plain language of that code section, meaning that aspiring home business owners who somehow find and read the interpretive clarification alongside the code may be confused.

Worst case, households may still be effectively limited to as few as one or even zero home occupations, in situations where, for example, households would need to use more than one of their ordinary household vehicles for their home businesses, e.g., when they have a single home office business that needs to alternately use two of the household's vehicles, one as a back-up for the other; or when each of two home office businesses needs to have one of the household's vehicles on hand at all times—both issues in my family's case—so they either operate illegally or give up because they have taken the code language at face value and can't afford the fee for requesting an exception, or that code language is enforced over the interpretive clarification, or the interpretive clarification is itself interpreted narrowly.

Therefore, we need staff's interpretive clarification fine-tuned² and integrated into a proposed amendment of City Code § 17.228.230.A.8 in time for the June 25 hearing. I, and I know Ms. McDonald, would be more than happy to assist with this.

Although, I do understand staff's desire to take more time to research even more thorough reform of City Code § 17.228.230.A.8, in the meantime, if the City is prepared to stand by its interpretive clarification of that code section at all, there is no reason *not* to, and every reason *to*, include a fine-tuned version of that in the code section itself.

For all of these reasons and more, I urge this council to direct staff accordingly and reject fee hikes #175 and #176. Thank you for your ongoing efforts and consideration.

Sincerely,

J.Janus. Clark
Tiffany Clark
Attorney at Law

Law Office of Tiffany Clark

CC: Engage@cityofsacramento.org; District1@cityofsacramento.org; District2@cityofsacramento.org; District3@cityofsacramento.org; District5@cityofsacramento.org; Eguerra@cityofsacramento.org; Rjennings@cityofsacramento.org; District8@cityofsacramento.org

¹ The interpretive clarification offered *via* email on June 7, 2024, by Planning Director Greg Sandlund, states, "City staff would not interpret [City Code § 17.228.230.A.8] to apply to personal vehicles that may incidentally be used to support the home office use (e.g., trips to buy equipment or materials, trips to US Post Office, [or trips 'to visit offsite clients'])." I am concerned about the use of the word "incidentally," but could imagine amending City Code § 17.228.230.A.8 to read something like, "Only one vehicle of a size no larger than one ton shall be permitted in conjunction with a home occupation. Otherwise permitted, ordinary household, mixed business-personal use vehicles are not included in the single vehicle limitation." Ultimately, as Ms. McDonald has pointed out, the "one ton" language also needs clarifying, so, *if* (and only if) possible, that would ideally also happen by June 25, 2024.
² Id.