



Meeting Date: October 1, 2024

## AGENDA MEMORANDUM

**To:** Honorable Mayor and Members of Town Council  
**From:** Tara Vargish, Director Development Services  
**Title:** **Discussion/Direction: Home Occupation Requirements**

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### Executive Summary

Home Occupations are regulated as an Accessory Use in residential areas under Castle Rock Municipal Code section 17.52.230. On August 20, 2024, Council directed staff to provide an overview of this code section, what uses are or are not allowed, and to provide information on what our surrounding jurisdictions allow.

### Discussion

#### *Background*

Home occupation is allowed in Castle Rock as an accessory use in a residential zone, under specific conditions. Home occupation uses have been allowed in the Town Code for some time. The current code section, 17.52.230 is very similar to the 1995 code. This section was amended in 2015 to clarify that it also applies to residential zones in Planned Developments (PD). Additionally, some of the prohibited uses were expanded with that amendment.

#### *Home Occupation Code 17.52.230*

Home occupation is regulated in section 17.52.230 and is defined as:

“A home occupation is a business, profession, occupation or trade conducted entirely within a residential principal or accessory building, which use is accessory, incidental and secondary to the use of the building for dwelling purposes and does not change the essential residential character or appearance of such building or the neighborhood and is compatible with other permitted uses.”

The code allows home occupation as an accessory use in any residential zone, including R1, R2, R3, MH and residential areas within Planned Development (PD) zoning districts, subject to the following regulations:

1. Use must be conducted entirely within a building;
2. Use must be operated by the occupants with no more than one outside employee;
3. Use shall not change the residential character of the dwelling;

4. Limited in size to 20% of floor area or 300 sq ft, which ever is less for a single family home; or Limited in size to 10% of floor area for residential uses other than single family;
5. There shall be no change to the outside appearance of the home, including no signage or outside displays;
6. Wholesale and retail sales are only allowed if the business is conducted entirely through the mail, or if on premise sales are not substantial. One onsite retail sale is allowed per week, such as a Tupperware party. Incidental sales of products are allowed, such as selling music instruction books at music lessons.
7. No outdoor storage of materials or equipment related to the use;
8. No excessive or offensive noise, vibration, smoke, dust, odors, heat, glare or light noticeable or extending beyond the lot;
9. Traffic shall not be generated which significantly affects the residential character of the area, or in a volume that would create a need for parking greater than that which can be accommodated on site or with the normal parking usage of the area;
10. Use shall comply with applicable development guide, building code, fire code, health regulations or any other local, state or federal regulations.

Uses that can meet the above regulations are allowed, except for these specific ones that are listed as prohibited. The majority of these prohibited uses have been in the code since 1995, however several were added during the 2015 amendment:

Prohibited uses in 1995 code:

- beauty or barber shop,
- hospital or clinic,
- animal hospital or grooming establishment, and
- medical or dental office.

Current Prohibited uses (additions from 2015 are in bold):

1. **Motor vehicle repair and motor vehicle body shops;**
2. Medical or dental clinics, hospitals;
3. Personal services such as beauty and barber shops, **tattoo, and massage services;**
4. **Bed and breakfast establishments;**
5. Animal clinics, hospitals, or grooming establishments; or
6. **Retail businesses or any similar uses generating more than occasional or minimal vehicular traffic.**

As staff researched the 2015 amendment, the staff reports and discussions focused on the change to allow regulation of Home Occupations across Town in all PD districts. Some PDs required a Use by Special Review public hearing process for home occupations, and others were silent to them. There was much discussion on making the regulation of home occupations the same throughout Town. Staff outreached with numerous HOAs on the code change during that time also and held a public meeting. One HOA letter specifically listed concerns on potential automotive repair businesses occurring at a home. Staff was not able to find documentation on why beauty, barber, tattoo or massage services are prohibited.

*Neighboring Jurisdictions*

Staff reached out to local jurisdictions to determine how they regulate home occupations. After reviewing information from Parker, Douglas County, Lone Tree, Castle Pines, and Arapahoe County, it is apparent that all of these jurisdictions have similar restrictions on the use, including such things as not changing the residential character of the area, not allowing signage, limiting outside employees, limiting area of home that can be used, not allowing outdoor storage, limiting traffic, and not allowing excessive or offensive noise, vibration, smoke, dust, odors, heat, glare, etc..

This table below shows a comparison of prohibited home occupations from each municipal jurisdiction staff reviewed. Douglas and Arapahoe County did not list specific prohibited uses, however regulated the uses to meet the specific requirements previously mentioned.

<b>Prohibited for Home Occupation</b>	<b>Parker</b>	<b>Lone Tree</b>	<b>Castle Pines</b>	<b>Castle Rock</b>
Motor vehicle repair & body shops		X	X	X
Medical, dental clinic, hospital	X	X	X	X
Bed and Breakfast		X	X	X
Animal clinics, hospitals	X	X	X	X
<b>Animal grooming establishments</b>				X
Retail business or similar generating more than minimal traffic		X	X	X
<b>Personal services such as beauty &amp; barber shop, tattoo or massage services</b>				X
Light Industrial or manufacturing	X			
Short Term Rentals	X			
Restaurants	X			

When looking at the prohibited uses, Castle Rock does stand out as the only jurisdiction that specifically prohibits “*personal services, such as beauty and barber shops, tattoos, and massage services*” and “*animal grooming*”. Parker used to prohibit these types of personal services, but recently updated the code to not prohibit them. If a use can comply with the other general restrictions for home occupations, then they can be allowed. Parker does have additional prohibited uses that other surrounding jurisdictions do not, including light industrial, manufacturing, short term rentals and restaurants.

*Summary*

Castle Rock’s Home Occupation requirements are similar to surrounding jurisdictions and limit the impact a proposed accessory use would have on the residential character

of the neighborhood. The prohibition of personal services such as beauty and barber shops, tattoo and massage services, as well as the prohibition of animal grooming appear to stand out from surrounding jurisdictions.

If Town Council wanted to explore removing these or changing the list of prohibited uses for Home Occupation, staff would recommend some additional outreach with the community. Staff does find that the current 10 regulations for operation of a home occupations should be sufficient to regulate these uses if Council determines they would like to remove them from the prohibited uses list.

### **Possible Motions**

Based on discussion at tonight's Council meeting, staff is looking for direction to either amend the home occupation code section or to conduct additional outreach and to bring back a recommended amendment.

Possible Motion if Council would like further discussion and research on the types of uses:

*"I move to direct staff to evaluate the list of prohibited home occupation uses, conduct additional research and community engagement, and bring back a recommendation for Council's consideration."*