



**City of Walnut Creek**  
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## **Zoning Verification for Automobile/Vehicle Dealerships**

**Background:** Pursuant to State Law, vehicle dealers are required to obtain a Vehicle Dealer's License from the California Department of Motor Vehicles (DMV). Prior to issuing said license, DMV requires the applicant licensee to obtain zoning verification from the City (see DMV form OL 902 – *Property Use Verification for Vehicle Dealer's License*). There are three different categories of vehicle dealers listed on the DMV form as follows:

- “Vehicle Retail Sales (office, sign, and display area mandatory)”  
*This includes ordinary retail dealerships. These types of dealerships are required by Sections 1671 and 11709 of the California Vehicle Code to have an office, a sign, and a vehicle display area on the premises.*
- “Vehicle Dealer – Wholesale Only, no retail sales (office mandatory)”  
*This category can include a wide variety of types of dealership, ranging from an auction house with a large vehicle storage area to something as small as an office in the licensee's home operating as a home occupation. A vehicle wholesaler is a dealer who sells cars only to other licensed dealers. These types of dealerships are required by Section 1671 of the California Vehicle Code to have an office on the premises; a sign and display area are optional (some wholesalers do not keep any of their own vehicle stock and have the vehicles sold shipped directly from one retail dealership to another).*
- “Vehicle Autobroker, no retail sales (office and sign mandatory)”  
*A vehicle autobroker is a dealer who for a fee arranges and/or negotiates the sale of a vehicle between two dealers or a dealer and a retail customer. These types of dealerships are required by Sections 1671 and 11709 of the California Vehicle Code to have an office and a sign. Autobrokers do not take ownership of the vehicles and consequently do not keep any of their own vehicle stock.*

Approval by the City is required before DMV will issue the license. However, DMV will not accept any zoning verification form that has been altered or has additional conditions written on it by the City (DMV will, however, accept such conditions on a separate sheet printed on City letterhead).

**Action:** The three categories of vehicle dealers listed above shall be regulated as follows pursuant to the Walnut Creek Zoning Ordinance:

- **Vehicle Retail Sales:** Retail automobile dealerships fall under the “Vehicle/Equipment Sales and Services, Automobile Sales/New and Used” commercial use classification, and are only allowed to operate where this use classification is permitted by the Zoning Ordinance. Retail sales of motorcycles, moving vans, trucks, tractors, construction or agricultural equipment, mobile homes, recreational vehicles, and similar equipment falls under the “Vehicle/Equipment Sales

and Services, Vehicle/Equipment Sales and Rentals” commercial use classification, and are only allowed to operate where this use classification is permitted by the Zoning Ordinance. Retail vehicle dealerships cannot operate under the “Accessory Use, Home Occupations” accessory use classification because of the DMV requirement for a sign and display area, both of which are prohibited pursuant to the Home Occupation regulations contained within Section 10-2.3.107 of the Zoning Ordinance.

- Vehicle Dealer – Wholesale Only: Wholesale vehicle dealerships fall under the “Wholesaling, Distribution and Storage” industrial use classification and are only allowed to operate where this use classification is permitted by the Zoning Ordinance. Wholesale vehicle dealerships which do not include any on-site storage or display of vehicles (in other words, an office only) may also be classified under the “Offices, Business and Professional” commercial use classification, or the “Accessory Use, Home Occupations” accessory use classification, and may operate where these use classifications are permitted by the Zoning Ordinance, subject to the restrictions described below.

The DMV zoning verification form does not include any areas where Planning Division staff can add language regarding the additional restrictions that apply to Vehicle Wholesale Dealerships which operate under the “Offices, Business and Professional” commercial use classification or the “Accessory Use, Home Occupations” accessory use classification. Consequently, when completing a DMV zoning verification form for wholesale dealerships operating under either of these two use classifications, Planning Division staff shall add the following language on City letterhead, and shall mail, fax, or e-mail both sheets directly to the DMV licensing office (this is done to ensure that the DMV is made aware of the stipulations upon which the zoning verification form is being completed and signed):

- Vehicle Wholesale Dealerships that operate under the “Offices, Business and Professional” commercial use classification:
  - There shall be no on-site storage of vehicles
- Vehicle Wholesale Dealerships that operate under the “Accessory Use, Home Occupations” accessory use classification:
  - There shall be no on-site customer visits to the premises.
  - There shall be no signs, nameplate, or other advertising displayed on the premises.
  - There shall be no vehicle inventory stored on the premises.
- Vehicle Autobroker: Autobroker businesses fall under the “Offices, Business and Professional” commercial use classification, and are only allowed to operate where this use classification is permitted by the Zoning Ordinance. Autobrokers cannot be classified as a Home Occupation due to the California Vehicle Code requirement for a sign on the premises, which is prohibited pursuant to the Home Occupation regulations contained within Section 10-2.3.107 of the Zoning Ordinance.