



*“Placerville, a Unique Historical Past Forging into a Golden Future “*

## **City of Placerville Planning Commission Staff Report**

**MEETING DATE:** June 21, 2016  
**FILE NO:** Zone Change (ZC) 2016-01  
**PREPARED BY:** Andrew Painter, City Planner **DATE:** June 7, 2016

**SUBJECT:** City request to amend the Placerville Zoning Ordinance to incorporate the Housing Opportunity Overlay Zone into Title 10, Chapter 5. The Planning Commission is requested to make a recommendation to the City of Placerville City Council per the authorization under Section 10-3-1(D) of the Zoning Ordinance.

**ORDINANCE INTENT AND PROVISIONS:** Proposed changes to the Zoning Ordinance section are provided as **Attachment A** in full text.

The purpose and intent of the overlay zone is to apply it to potential parcels to be inventoried, as potential sites for future rezoning as a means of achieving the residential housing objectives of the Housing Element of the General Plan. These objectives include encouraging new multi-family residential development that includes housing for persons with disabilities, housing for persons with developmental disabilities, housing that supports aging in place, and affordable housing. Adoption of the Housing Opportunity (HO) Overlay Zone ordinance, along with recently amended provisions under the R-5, Very High Multi-Family Residential Zone, would collectively assist the City in partial implementation of Program 3 of the 2013-2021 Housing Element (Cycle 5). Program 3 requires the City to rezone land in order to provide an inventory of land capable and suitable for residential development for low-income and very low-income households, consistent with State law and the City’s Regional Housing Need Allocation (RHNA).

An evaluation of potential sites prior to initiating the more formal City Zoning Map rezoning process will include the necessary environmental review in accordance with the California Environmental Quality Act (CEQA). Should any property be considered by the City for rezoning, a formal public process would begin including an environmental review process required under state law. The process would include public hearings before the Planning Commission and City Council for approval.

The Overlay Zone would allow development on a parcel that has the HO Overlay Zone either in the manner provided under the Ordinance or the manner provided in the base (underlying) zone, but not both. Once the parcel has developed in the manner provided in the base zone, the property owner would relinquish the right to redevelop the land using the HO Overlay Zone provisions. The HO Overlay Zone would provide the property owner with the additional opportunity to develop the parcel with a residential use without seeking a rezoning of the parcel. The HO Overlay Zone would therefore offer property owners increased flexibility for the future development of their properties.

Residential development provisions within the HO Overlay Zone would establish a minimum density of twenty (20) dwelling units per acre and a maximum density of twenty-four (24) dwelling units per acre. This minimum and maximum density matches the density of the R-5 (Very High Density Multi-Family Residential Zone).

A minimum of fifty percent (50%) of all housing must be made affordable to the very low and low household income categories. Of this fifty percent (50%), thirty percent (30%) of the total units in the development must be affordable for very low-income households, with twenty percent (20%) for low-income households. Federal guidelines define the low and very-low levels of income based on family income. The low income category is 51-80 percent of the City's median income. The very low income category is 31-50 percent of the City's median income. According to the U.S. Census and the City's Housing Element, the median household income for Placerville in 2012 was \$52,216.

Legal commitments to the City would be recorded to ensure the continued availability of the affordable housing to these low and very low income households for a minimum of thirty (30) years. Incentives would be offered for the construction of affordable housing where one of the following could be selected: construction and impact fee deferrals until project completion or occupancy; payment of construction and impact fees over twelve (12) months or more after project completion; and, the reduction of City generated fees for specific facilities or services when the applicant can show a connection between the lower fee and lower facility/service demand from project residents.

Qualifying housing developments under the HO Overlay Zone would be permitted by-right, not requiring a use permit, planned development plan or other discretionary action for the use or density of the development sites.

**BACKGROUND:** In February 2014 the City Council adopted the City of Placerville General Plan, 2013-2021 Housing Element. As required by State Law, the Housing Element identified an inventory of many opportunity sites (potential) sites which could accommodate the City's RHNA. The RHNA identifies the number of new housing units, at various income levels, with the region needed to accommodate future population growth expected over a given planning period. The planning period for the City's 2013-2021 Housing Element is retroactive to October 31, 2013 and extends through October 31, 2021. The number of new housing units allocated to the City for this planning period is 372 and distributed among various income categories, as shown in **Table 1**. The City has an unmet need of 133 housing units for the Low, Very Low and Extremely Low income categories.

Several of these potential sites were located in areas that fall under the Commercial, Highway Commercial and Business Professional land use classifications in the General Plan, and that have C (Commercial), HWC (Highway Commercial) and BP (Business Professional) zoning designation where residential uses are only allowed above or below the ground floor. Program 3 contained within the Housing Element called for the rezoning of land to accommodate land inventory to support the unmet need of 239 units for lower-income households. This unmet need total includes 106 units that were not inventoried for the 2008-2013 Housing Element, and 133 units that must be inventoried to support lower-income households for the 2013-2013 Housing Element planning period.

**Table 1. RHNA Allocations by Income Category for Placerville, October 31, 2013 to October 31, 2021**

Income Category	RHNA Allocation	
	Number	Percent
Extremely Low	39	10.5 %
Very Low	39	10.5 %
Low	55	14.8 %
Moderate	69	18.5 %
Above Moderate	170	45.7 %
Total	372	100%

Source: Sacramento Area Council Governments, Regional Housing Needs Plan. (November 2012)

On February 25, 2014, the City Council adopted Resolution 8174 that authorized staff initiate amendments to the City of Placerville Zoning Map, the City of Placerville General Plan Land Use Map if necessary, and to rezone twelve or more acres to implement General Plan 2013-2021 Housing Element Program 3.

The City of Placerville was notified in a March 19, 2015 letter by the Department of Housing and Community Development, Division of Housing Policy Development (HCD) that the City's 5<sup>th</sup> Cycle no longer complies with State housing law. Required rezoning of sites to accommodate 106 lower income units representing the housing need not met over the 4<sup>th</sup> Cycle Housing Element (2008-2013) update was not completed by the October 31, 2014 due date under State housing law.

**ORDINANCE APPLICABLE AREA:** None. The request under consideration would create the proposed HO Overlay Zone provisions in the Zoning Ordinance. It would not apply to any specific sites. Rezoning of individual sites would occur in the future after public hearings before the Planning Commission and City Council.

**ENVIRONMENTAL DOCUMENT:** Staff has determined that this Ordinance is not subject to the California Environmental Quality Act (CEQA) Guidelines. Under the CEQA Guidelines, CEQA only applies to projects which have the potential for causing a significant effect on the environment. Per Section 15061(b)(3) of the CEQA Guidelines, the general rule, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA.

**PUBLIC NOTICE AND COMMENT:** Public notice for the request and public hearing was published in the Mountain Democrat on Friday, May 20, 2016. In addition, notice was posted on the Planning Division webpage and posted on the City's Facebook on Thursday, May 19, 2016. To date no public comment was received by the City.

**PLANNING COMMISSION'S ROLE:** A text amendment to the City's Zoning Ordinance is a City Council legislative action. Per state law (Government Code Section 65854) and Zoning Ordinance Section 10-3-1(D), changes to the Zoning Ordinance must first be submitted to the

Planning Commission at a noticed public hearing where the Commission must make a recommendation to City Council. Per state law (Government Code Section 95856), City Council must hold a public hearing to introduce the changes to the Zoning Ordinance. Council may then adopt the amendment or as modified at a subsequent Council meeting.

**RECOMMENDATION:** Staff recommends that the Planning Commission take the following actions:

- I. Conduct a public hearing to consider ZC 2016-01.
- II. Make the following recommendations to City Council regarding ZC 2016-01:
  - A. Find that ZC 2016-01 is exempt from CEQA per Section 15061(b)(3) of the CEQA Guidelines, the general rule, in that it can be seen with certainty that the proposed amendment would have no potential impact on the environment, as no lands are to be designated HO Overlay on the City of Placerville Zoning Map with this action.
  - B. Adopt ZC 2016-01 that would amend the Placerville Zoning Ordinance (Title 10), Chapter 5, adding Section 24: HO, HOUSING OPPORTUNITY OVERLAY ZONE.

**Attachment:**

- A. ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE AMENDING TITLE 10, CHAPTER 5 OF THE PLACERVILLE CITY CODE, ADDING SECTION 24: HO, HOUSING OPPORTUNITY OVERLAY ZONE OTHERWISE KNOWN AS ZONE CHANGE 2016-01

**Attachment A**

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE AMENDING  
TITLE 10, CHAPTER 5 OF THE PLACERVILLE CITY CODE, ADDING SECTION 24: HO,  
HOUSING OPPORTUNITY OVERLAY ZONE OTHERWISE KNOWN AS ZONE CHANGE  
2016-01