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**Development Services Department Staff Report
May 5, 2026, Planning Commission Meeting
Development Services Director: Carole Kendrick**

Item# 9.1

Subject: General Plan Amendment GPA 26-02 and Zone Change ZC 26-02 to Apply the Housing Opportunity (HO) Overlay to 7444 and 7460 Green Valley Road (APNs 325-160-008 and 323-120-030); and Recommendation to Adopt a Mitigated Negative Declaration (MND).

Recommendation:

That in accordance with the attached resolution and findings for approval:

1. Recommend that the City Council adopt a Mitigated Negative Declaration (MND) pursuant to the California Environmental Quality Act (CEQA), finding that all potentially significant impacts have been mitigated to less-than-significant levels.
2. Recommend that the City Council approve a Resolution for General Plan Amendment GPA 26-02 to amend the General Plan Land Use Designation from High Density Residential (HDR) to High Density Residential-Housing Opportunity Overlay (HDR-HO) for the 3.27-acre site at 7444 and 7460 Green Valley Road.
3. Recommend that the City Council introduce and waive the first reading of an Ordinance approving Zone Change ZC 26-02 to amend the Zoning Map from Commercial (C) to Commercial-Housing Opportunity Overlay (C-HO) for the same site.

Purpose: The purpose of the proposed General Plan Amendment (GPA) and Zone Change (ZC) is to implement Program A-3 (High-Density Development and Objective Design Standards) of the City's adopted 2021-2029 Housing Element (6th Cycle). This program commits to increasing the inventory of sites suitable for high-density multi-family residential development at a minimum of 20 dwelling units per acre (du/ac) to accommodate housing affordable to very low- and low-income households.

This action could facilitate up to 60 multi-family units on the site. In accordance with HO Overlay provisions, at least 50% of the units must be affordable (minimum 30% very low-income and 20% low-income), supporting the City's Regional Housing Needs Allocation (RHNA) goals and maintaining substantial compliance with State Housing Element Law.

Strategic Plan Strategy: Maintain/Improve Quality of Life: Strategy 6 – Maintain and Update Planning Documents.

Background: The City of Placerville adopted its 2021-2029 Housing Element on August 31, 2021 (Resolution No. 9005), with amendments adopted December 13, 2022 (Resolution No. 9150). HCD certified the amended element in substantial compliance with State Housing Element Law

on December 21, 2022, emphasizing timely implementation of programs, including A-3, to avoid revocation of compliance (Gov. Code § 65585(i)). The Housing Element identifies a need for 259 units during the planning period (28 extremely low-income, 28 very low-income, 34 low-income, 50 moderate-income, and 119 above-moderate-income).

Housing Element Program A-3 commits the City to completing environmental analysis, rezoning, and objective design standards for high-density development (20-24 du/ac) on three (3) specific sites totaling capacity for 183 units, facilitating by-right, ministerial review under State laws including SB 35 (≤180-day approvals).

On December 3, 2025, HCD issued a letter of inquiry (LOI) inquiring about the status of Program A-3 and other Housing Element programs. The City had committed to completing Program A-3 by June 2023. Failure to implement Housing Element Programs could result in revocation of Housing Element certification, leading to consequences such as ineligibility for state funds, referral to the Attorney General, financial penalties, loss of land use authority, and application of the "builder's remedy" (Gov. Code §§ 65585, 65589.5). The City prepared a response to the LOI on December 23, 2025, providing updates on all queried programs, including noting delays in A-3 implementation due to staffing constraints. Staff's recommendation to amend the General Plan and Zoning maps directly addresses Program A-3 by applying the Housing Opportunity Overlay Zone (PMC Code Section 10-5-24) to this site, which is site 2 of 3.

The Project Site consists of two parcels totaling 3.27 acres (APNs 325-160-008 and 323-120-030). The site currently contains a single-family residence, which is assumed to be demolished upon redevelopment. The site is well-suited for affordable multi-family development due to its proximity to transit and services:

- **Commercial Neighbors:** Bordered by commercial uses to the north and west, including Sierra Animal Hospital.
- **Community Services:** Located adjacent to the Boys and Girls Club of El Dorado County West Slope.
- **Transit Access:** The nearest El Dorado Transit stop is located approximately 600 feet east of the Project Site at Raley's.

Housing Opportunity Overlay Zone: The Housing Opportunity (HO) Overlay Zone, established through City Ordinance No. 1680 in 2016–2017 to comply with State Housing Law (Gov. Code §65583.2), provides a ministerial, by-right pathway for multi-family residential development at densities of 20–24 dwelling units per acre. Codified in PMC Section 10-5-24, the overlay is intended to facilitate production of affordable multi-family and attached single-family housing on sites identified as suitable in the City's General Plan and RHNA strategy. It functions as an optional zoning layer that may be used in lieu of the underlying zone. Objective Development Standards include a minimum density of 20 du/ac, maximum 60% lot coverage, 40-foot height limit, and 1.5 parking spaces per unit. Earlier rezonings applying the overlay (Ordinances 1684, 1686, 1687) added 17.37 acres citywide and enabled capacity for 244 lower-income units. The current site-specific application continues this implementation framework and requires no amendments to Title 10, as the overlay is already structured to integrate with Land Use Element provisions allowing up to 24 du/ac in compatible zones.

Proposed Zoning and General Plan Amendments:

The Proposed Project would amend the City of Placerville General Plan Land Use Map to redesignate the 3.27-acre site at 7444 and 7460 Green Valley Road from High Density Residential (HDR) to High Density Residential–Housing Opportunity Overlay (HDR-HO) and would concurrently amend the Zoning Map to rezone the parcels from Commercial (C) to Commercial–Housing Opportunity Overlay (C-HO).

As described in the IS/MND, “*The proposed general plan designation is HDR-HO, High Density Residential – Housing Opportunity Overlay*” and “*The proposed zoning is C-HO, Commercial–Housing Opportunity Overlay.*” These amendments could allow development of up to 60 multifamily units consistent with the Housing Opportunity Overlay, which requires that at least 50 percent of units be affordable to very low- and low-income households.

Diagrams depicting the proposed General Plan Land Use and Zoning Ordinance map amendments are provided in **Attachment B**.

Environmental Review: The City has determined that the proposed GPA and ZC would not result in significant environmental impacts with the incorporation of mitigation measures identified in the IS/MND. The IS/MND evaluates all CEQA checklist topics and finds that impacts in areas such as Biological Resources, Cultural Resources, Geology/Soils, Hydrology/Water Quality, Noise, Tribal Cultural Resources, Utilities/Service Systems, and Wildfire would be less than significant with mitigation.

Key Mitigation Measures include:

- **BIO-1:** Pre-construction nesting bird surveys if construction begins between February 1 and August 31.
- **CUL-1 & CUL-2:** Halting work and following professional protocols if cultural resources or human remains are discovered.
- **GEO-1:** Expert assessment and proper treatment if paleontological materials are found during site development.
- **HYDRO-1:** Preparation of a Drainage Report to keep post-development flows at or below pre-development levels.
- **NOISE-1:** Limiting construction to 7 AM –7 PM on weekdays and 8 AM –5 PM on Saturdays to protect nearby sensitive receptors.
- **FIRE-1:** Wildfire prevention measures, including spark arresters on equipment and daily trash removal.

No impacts or less-than-significant impacts were identified for Aesthetics, Agriculture/Forestry, Air Quality, Energy, Greenhouse Gas Emissions, Hazards/Hazardous Materials, Land Use/Planning, Mineral Resources, Population/Housing, Public Services, Recreation, and Transportation. The IS/MND concludes that all potentially significant effects can be mitigated to less-than-significant levels, supporting adoption of an MND (CEQA Guidelines §15070(b)).

The project is exempt from further CEQA review under infill provisions (CEQA Guidelines §15332), but a site-specific MND was prepared conservatively. If recommended, the MND

adoption aligns with state mandates and there are no General Plan conflicts.

Public Comment: In accordance with California Government Code Section 65091(a)(2) and Section 65854 (20-day notice requirement for zoning ordinance amendments), a legal advertisement for the May 5, 2026, Planning Commission public hearing was published in the Mountain Democrat on April 3, 2026, twenty (20) days prior to the hearing date.

As of the date of this report, two letters of comment were received by Development Services Staff. The first letter is from Ms. Pam Krause, neighboring property owner at 181 Placerville Drive (attachment I). Ms. Kraus expresses concern regarding the proximity of future units to her residence, and potential impacts on privacy, noise, and traffic. Staff's response to Ms. Kraus's comments regarding the proposed Housing Opportunity Overlay at 7444 and 7460 Green Valley Road is as follows: Staff acknowledges the concerns regarding the potential impacts of a future development on the neighborhood. It is important to emphasize that the current action is a legislative change to the General Plan and Zoning maps to apply a Housing Opportunity Overlay. There is no actual site development proposed at this time, and no pending development applications exist for this property.

The Initial Study/Mitigated Negative Declaration (IS/MND) conservatively evaluated a maximum density of 60 units to establish the following environmental safeguards:

- **Noise Mitigation:** To address construction disruption, **Mitigation Measure NOISE-1** restricts future construction activities to between 7:00 a.m. and 7:00 p.m. on weekdays and 8:00 a.m. to 5:00 p.m. on Saturdays. Regarding long-term operational noise, a technical assessment found that predicted noise from future HVAC units and vehicles (approximately 42 dBA) would comply with the City's 45 dBA standard.
- **Geographic Orientation:** The 3.27-acre Project Site is separated from the commenter's residence by Winter Lane. The site's topography slopes significantly downward from east to west, dropping from approximately 1,723 feet at Winter Lane to 1,696 feet at Green Valley Road. This natural grade allows future development to be oriented toward the Green Valley Road arterial corridor and away from existing residences, using the slope as a built-in visual and acoustic buffer.
- **Privacy and Aesthetics:** Any future project must adhere to a 40-foot building height limit and strict lighting regulations (**Project Commitment AES-2**) that require all outdoor fixtures to be fully shielded and equipped with automatic timers to prevent light trespass.
- **Traffic:** A potential 60-unit project is estimated to generate a minimal 5.6% increase in daily trips on Green Valley Road, which does not significantly impact service levels.

Development Services is committed to working with neighboring property owners to address specific privacy and landscaping concerns if and when a formal development project is proposed. This correspondence has been incorporated into the public record for the May 5, 2026, Planning Commission hearing.

The second public comment letter is from the Department of Toxic Substances Control (DTSC), dated April 9, 2026 (attachment J). DTSC recommends specific protocols for hazardous materials surveys during demolition and the testing of imported fill material. Staff's response to DTSC's comments regarding the proposed Housing Opportunity Overlay at 7444 and 7460 Green Valley Road is as follows: Staff acknowledges the technical recommendations provided by DTSC. Because the current

action is a legislative amendment and does not include a specific development proposal, these recommendations will be applied as conditions of approval for future project-specific permits:

- **Demolition Protocols:** Any future redevelopment of the site assumes the demolition of the existing 1960s-era residence. The City will require the developer to conduct surveys for lead-based paint, asbestos, and other hazardous materials in compliance with California Code of Regulations (CCR) Titles 8, 22, and 26 prior to any demolition activity.
- **Imported Fill Material:** Consistent with DTSC’s recommendation and Project Commitment **GEO-1**, all imported soil or fill material required for site grading must be documented and tested to ensure it meets health-based screening levels .
- **Regulatory Compliance:** Future development remains subject to Project Commitment **HAZ-1**, ensuring all site plans comply with the California Building Standards Code and the California Fire Code.

The City will maintain coordination with DTSC to ensure all future construction activities protect public health and the environment.

Options:

- Recommend approval of the GPA, ZC, and MND as proposed by Staff.
- Do not recommend approval and provide direction to Staff for modifications.

If adopted, the Zoning Map amendment becomes effective 30 days post-adoption by City Council per Government Code §36937. This action is with state mandates and there are no General Plan conflicts.

Budget Impact: There is no fiscal or budget impact associated with tonight’s action.

Attachments:

- A. Draft Planning Commission Resolution Recommending Approval of GPA 26-02, ZC 26-02, and MND
- B. Existing and Proposed General Plan Land Use and Zoning Map Amendment (combined Exhibit)
- C. Initial Study/Mitigated Negative Declaration (IS/MND) dated July 2025
- D. Notice of Intent (NOI) to Adopt MND
- E. Excerpt from 2021-2029 Housing Element (Program A-3 and Related Sites Inventory)
- F. HCD Housing Element Certification Letter (December 21, 2022)
- G. HCD Letter of Inquiry (December 3, 2025)
- H. Development Services Response to HCD LOI (December 23, 2025)
- I. Pam Kraus letter dated April 20, 2026
- J. Department of Toxic Substances letter dated April 9, 2026

INCORPORATED BY REFERENCE

City of Placerville General Plan

City of Placerville Zoning Ordinance

City of Placerville 6th Cycle Housing Element

Contents of General Plan Amendment (GPA) 26-02, Zoning Change (ZC) 26-02 and Mitigated Negative Declaration