



**COMMUNITY DEVELOPMENT DEPARTMENT
CITY COUNCIL STAFF REPORT**

Agenda Date: June 8, 2010

APPLICATION NO.: General Plan Amendment 09-04;
Environmental Assessment 09-02

DATE: June 8, 2010

REQUEST: To update the Housing Element of the City of Placerville's General Plan.

APPLICANT: The City of Placerville

LOCATION: Citywide

**ASSESSOR'S
PARCEL NOs.:** Citywide

**GENERAL PLAN
DESIGNATION:** Various Residential

ZONING: Various Residential

**ENVIRONMENTAL
DOCUMENT:** CEQA-compliant Negative Declaration, attached.

STAFF CONTACT: Steve Calfee, Community Development Director

SUMMARY RECOMMENDATION

The City of Placerville Planning Commission conducted a public hearing on the 2008-2013 General Plan Housing Element on June 1, 2010, and recommend (4 – 0) adoption of the Housing Element, and the Negative Declaration proposed therefore, by the Placerville City Council.

DISCUSSION

The last comprehensive rewrite of the City's General Plan occurred in 1990. Shortly thereafter, in 1993, the Housing Element was updated, and was later adopted by the City Council in 1994. Normally, once adopted, a Housing Element is valid for approximately five to seven years. The 2003-2009 Housing Element was scheduled to expire June 30, 2010, however poorly-publicized legislation relating to the Sacramento Area Council of Governments (SACOG) and its member cities and counties required that Housing Elements be updated by the end of 2008, and unfortunately, City Staff did not learn of this legislation until late spring of 2009. Subsequently, the City's Housing Element became noncompliant with state law. One of the significant drawbacks of being noncompliant is that the City's opportunity to apply for state grants is stymied.

Shortly after learning of our Housing Element's noncompliant status, Staff initiated an update of the City's Housing Element. Unlike the previous Housing Element update, where the City contracted with a consultant specializing in such matters, the update was conducted in-house due to fiscal constraints. In December of 2009, Staff transmitted an Administrative Draft of the Housing Element to the State Department of Housing and Community Development for review. In February of this year, Staff received HCD's comments and responded accordingly, amending the Housing Element to reflect the State's comments. Also during this timeframe, Staff prepared the attached Negative Declaration and caused its circulation to the State and numerous agencies. Recently, Staff provided an advance distribution the draft Housing Element to both the City Council and Planning Commission and provided copies, along with a request for review and comment, to the individuals and agencies to the local distribution list attached hereto.

California communities are required to adopt a General Plan with various required Elements. However, among these Elements, only the Housing Element requires approval by the State Department of Housing and Community Development. In this regard, it is the legislative intent that decent and suitable housing is of vital statewide importance for every California family and is a "priority of the highest order." In general, the Housing Element has several purposes:

- To provide an assessment of both current and future housing needs and constraints to meeting those needs, and
- To provide a strategy that establishes housing goals, policies and programs.

One of the primary measures of compliance with Housing Element law is the ability of a community to accommodate its share of regional housing needs for its planning period. For Placerville, the regional share of needs (per SACOG) is 388 dwelling units.

Of the 388 units, 25 are expected to be affordable to extremely-low-income households, 25 to very-low-income households, and 56 to low-income households. The remaining 282 units fall into the moderate and above-moderate categories. Although Placerville is not directly responsible for the actual construction of these units, the City is responsible for creating a regulatory environment in which these housing units can be built, and for identifying and maintaining an adequate residential land use inventory for the aforementioned housing allocation.

The Housing Element is a relatively self-explanatory document. Its organization is generally as follows:

- **Introduction**—This section contains a brief description of state requirements and the ways in which the Housing Element must address those requirements, and contains a summary of the City's Housing Element goals and policies. A brief community overview is also provided.
- **Community Profile**—This section provides significant demographic information, setting the stage for subsequent Element sections, particularly for plan implementation. This section also has household and population information, employment characteristics, housing conditions, and identifies future housing needs.
- **Constraints**—This section discusses at length constraints to housing, such as governmental constraints such as fees, environmental constraints such as tree removal and steep topography, public service constraints such as the lack of available utilities, Code constraints, and finally, market constraints such as the cost of housing, land availability, and the ability to finance housing.
- **Resources**—This section provides an evaluation of land which is available to accommodate the projected housing needs, and provides a vacant land inventory. Alternative funding sources are also discussed.
- **Housing Strategy**—This section is really the heart of the Housing Element and will likely be the topic of most discussion by the Planning Commission and City Council. This section in a sense is the implementation program of the Housing Element and contains a strategy for meeting housing needs as identified in the Community Profile section, and mechanisms for reducing the barriers to housing as discussed in the Constraints section. This section also reiterates our General Plan housing goals and policies, borrowed from the 1990 General Plan and previous Housing Elements. This chapter also identifies 24 implementation programs either borrowed or adapted from previous Housing Elements or requested by the State. Generally, these programs have been reviewed by the State, however this is not to suggest that the programs cannot be modified by

City Council, should the Council find a particular program unacceptable. The following is a brief summary of each program.

- 1. Vacant Land Inventory—This is an ongoing program which requires that the Community Development Department maintain an updated inventory of vacant residential lands sufficient to meet regional housing needs identified in Section II of the Housing Element.
- 2. Infill Development and Sites with Re-use Potential—This program encourages infill development and recommends design strategies and density bonuses and other incentives for projects which include affordable housing. This program is consistent with State housing law, which requires communities to provide density bonuses or other incentives such as reduced parking requirements for projects which provide affordable housing. Further, the program acknowledges City support for smart-growth principles and acknowledges the desirability of encouraging mixed-use opportunities.
- 3. Transitional, Supportive and Emergency Housing—This program is required to implement Senate Bill 2, and is further discussed in Section II of the Housing Element. In addition to meeting with transitional housing providers, the City must evaluate its Zoning Ordinance to identify at least one zoning category that will accommodate emergency shelters, supportive housing, and transient housing facilities as uses allowed by right, with at least one shelter or transient housing facility for year-round use.
- 4. Housing for Persons with Disabilities—This is an ongoing program in that the City continues to implement standards and codes for providing accessibility for persons with disabilities, and continues to provide reasonable accommodations for persons with disabilities.
- 5. Senior Housing—This program provides site identification and incentives for providing housing specifically for seniors.
- 6. Workforce Housing—This program suggests the preparation of a report for a survey of major employers to assist in determining the appropriate levels of affordable housing for the City workforce, designing a program to promote infill opportunities to accommodate workforce housing. Should the City Council decide that the need for such a study exists, the program identifies the components therefore.

- 7. Density Bonus—This program calls for an amendment to the City's Zoning Ordinance to reflect state density bonus law and its use as a tool to assist in the development of affordable housing, and to provide a menu of density bonuses and other incentives. While the City currently enforces state density bonus law, the Zoning Ordinance has not been amended to include a chapter on density bonuses and other incentives. It should be noted, however, that a draft density bonus ordinance has been prepared, but sidelined, until the adoption of the Housing Element.
- 8. State and Federal Funding—This is an ongoing program, and in conjunction with developers and non-profit groups, the City does pursue state and federal funding on an as-needed basis, with the exception of the short period where the Housing Element was invalid.
- 9. Permit and Development Impact Fees—This program calls for an annual review of development fees and recommends deferment of certain fees or payment of fees over a period of time for certain residential projects. This is an ongoing program and is currently being implemented. Further, the program calls for a review of the fees to determine whether they are undue constraints for the development of affordable housing.
- 10. Self-Help Housing—This program continues the City's coordination with non-profit developers who develop self-help housing. This is an ongoing program that currently uses CDBG and HOME recycle funds to assist in this program's implementation.
- 11. Hillside Development—This program calls for a review of the City's hillside development standards to assess the slope/density formula as it pertains to density on a hillside with a slope between 10% and 30%. This program closely mirrors one that was included in the 2003-2009 Housing Element, and when the previous Element was adopted, the Council chose to defer amendments to the City Code relating to hillside development.
- 12. Zoning Ordinance Revisions—This program proposes two revisions to the City's Zoning Ordinance relating to residential uses. The first calls for an amendment to the Zoning Ordinance that allows mobile home or manufactured home developments to be permitted in all residential zones rather than within an MP (Mobile Home Park) zone, and the second suggestion relates to cumulative zoning, wherein the City allows single-family uses to be permitted by right in a multi-family zone. The program calls for an amendment to allow single-family uses as conditional uses in multi-family districts rather than uses allowed by right.

- 13. First-Time Homebuyer Assistance—This program calls for the City to consider a First-Time Homebuyer Assistance program which could include downpayment assistance loans and/or grants and/or assistance with closing costs. This program could benefit from a variety of grants as a funding source. Further, the City may have the opportunity to coordinate with El Dorado County to create a joint program for first-time homebuyer assistance.
- 14. Fair Housing—This is an ongoing program wherein the City will continue to promote equal housing opportunity for all residents, with the objective of increasing community awareness of fair housing matters.
- 15. Housing Rehabilitation—This is an ongoing program that provides for housing rehabilitation and this program will continue through this Housing Element timeframe.
- 16. Housing Conditions Survey—This is a continuance of a periodic program wherein the City conducts housing condition surveys with the goal to identify areas to target for code enforcement, and more commonly, rehabilitation assistance.
- 17. Code Enforcement. This is a continuation of a program wherein City Building Staff conducts code enforcement inspections, typically on a complaint basis, or on a more proactive time-available basis. Certain code enforcement matters relating to housing conditions and livability are resolved by the use of CDBG housing rehabilitation recycle fund.
- 18. Historic Preservation—This is an ongoing program wherein the City encourages preservation of historic homes and buildings communitywide when feasible to do so, and at times with available funding from the CDBG rehabilitation recycle fund.
- 19. Housing Choice Voucher Program—This program recognizes the continuation of a cooperative effort with El Dorado County in its administration of a Housing Voucher (Section 8) Program.
- 20. Preservation of At-Risk Units—The City currently works with property owners and other public agencies and non-profit organizations to preserve existing subsidized rental housing, and encourages owners to maintain the affordability of such units. A recent example of such an effort is the Coloma Court Placerville Apartments project. The City currently monitors properties identified as being at risk for conversion to market rate units and makes contact with necessary lending institutions and

housing groups with the objective of identifying ways to maintain the subsidized rental units as "affordable."

- 21. Mobile Home Parks—The objective of this program is to preserve the existing mobile home park inventory in the community, and to participate in the potential conversion to tenant ownerships if desired by both park owner and residents.
 - 22. Weatherization—This is an ongoing program where the City distributes information regarding weatherization and energy-efficient programs and funding sources for residents Citywide, and provides other housing comfort improvements by way of CDBG housing rehabilitation recycle funds.
 - 23. Energy Conservation for New Residential Development—This is a new program that acknowledges the continued enforcement by the Building Division of state energy-efficiency requirements for new construction.
 - 24. High-Density Development. This is a new program that acknowledges that there exist few properties available in the City's high-density R-4 multi-family residential zone inventory, which offers a density of 16 dwelling units per acre, and that this lack of inventory may compromise the City's ability to provide extra-low- and very-low-income housing opportunities. The program calls for the City to undertake an analysis utilizing the properties identified in Appendix C, and present rezoning recommendations to the City Council.
- Appendices:
 - Appendix A. Housing Element Evaluation—State Housing Element law requires an assessment of achievements under adopted housing programs as part of the Housing Element update process. These achievements are self-assessed by the City and provided to the State for review. Appendix A provides a summary of the City's achievements for the Housing Element period 2004-2009.
 - Appendix B. Quantified Objectives—Quantified Objectives have been established for accommodating the City's regional share of future housing needs under the SACOG Regional Housing Needs plan.
 - Appendix C. Upzoning/Rezoning Analysis—This analysis is provided for information only at this time, but as identified in several programs,

specifically Program 24 herein, the City must evaluate its land inventory to ensure that lands are available for all housing needs, across all tenures and incomes Citywide.

CONCLUSION & RECOMMENDATION

Staff believes that the Housing Element is in substantial compliance with State law. Its adoption is crucial to the City seeking state and federal grants not only for housing matters but for other grants such as those for infrastructure upgrades and the like.

RECOMMENDATION

The Planning Commission recommendation on this matter is as follows:

1. Conduct a Public Hearing and seek public comment on the Housing Element.
2. Adopt the Staff Report as part of the public record.
3. Approve the Negative Declaration prepared for the Housing Element as presented.
4. That the City Council adopt the Housing Element as presented.

Steve Calfee
Community Development Director

John W. Driscoll
City Manager/City Attorney