

**City Manager's Report**  
**February 9, 2016 City Council Agenda**  
**Item: 10.1**  
**Prepared By: Andrew Painter, City Planner**



**Item #**

**Subject:**

- I. Approve a resolution amending the text of the City of Placerville's *General Part I, Land Use / Circulation Diagrams And Standards*, and the *2013-2021 Housing Element* to remove constraints to the development of housing, and to bring it into consistency with State housing law. This request is known as General Plan Amendment (GPA) 2015-02; and
- II. Introduce an ordinance that would amend the text of Title 10 of the Placerville Municipal Code (Zoning Ordinance) to clarify terms, to remove constraints to the development of housing, and to bring it into consistency with State housing law. This request is known as Zoning Ordinance Amendment (ZC) 2015-04.

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**Discussion:** City staff is requesting text amendments to the General Plan's Part I, Land Use / Circulation Diagrams and Standards, Section II, the 2013-2021 Housing Element, and to the Zoning Ordinance. These amendments are as follows:

**General Plan Text Amendments (GPA 2015-02)**

Part I, General Plan Land Use / Circulation Diagrams and Standards (The Draft Resolution is provided as **Attachment A** of this report)

The *High Density Residential (HD)* Land Use designation section would be changed as follows:

- The existing density minimum and maximum of twenty (20) dwelling units per acre (du/a) would be amended to a range of density, twenty (20) to twenty-four (24) du/a;
- The adverb "Very" would be added to the title description of the R-5 Zone, under the "Compatible Zoning District";
- The "Minimum Site Area per Dwelling Unit" of the R-5 Zone would change from 2,178 to 1,815 square feet.

2013-2021 Housing Element

Chapter III. Constraints: The following changes would be completed as follows:

- Within *Table 28: Land Use Categories Permitting Residences* and on other locations throughout Chapter III, the full title description used in the *General Plan Land Use / Circulation Diagrams and Standards Document* for the multi-family residential zoning would be added, as would the density range and minimum site area per dwelling unit figures changed under the HD land use designation above.

Changes are shown as underlined and strikethrough text:

- R-2 (Low Density Multi-Family)
- R-3 (Medium Density Multi-Family)
- R-4 (High Density Multi-Family)
- R-5 (Very High Density Multi-Family):
  - Density Range: 4.01 to ~~20.00~~ 24.00
  - Minimum Site Area per Dwelling Unit: ~~2,000~~ 1,815
- On Page C-69, within *Section 2. Zoning Standards*, the full title description used in the *General Plan Land Use / Circulation Diagrams and Standards Document* for the multi-family residential zoning would be added.
- Within *Table 29: Residential Development Standards: Residential Districts*, max (maximum) density under the R-5 zoning district would be amended from 20 to 24 du/a. In addition, the minimum density standard of 20 du/a for the R-5 zoning district would be added to the table.
- Within *Table 31: Housing Types Permitted by Zone*:
  - Detached single-family residential uses under the R-2, R-3 and R-4 zones would be changed from “P”(permitted) use to “U” (permitted with use permit);
  - Single-room occupancy (SRO) units use under the R-2, R-3, R-4 and R-5 zones would be changed from “X”(not permitted) use to “P” (permitted); single-room occupancy units use under the CBD and C zones would be changed from “X”(not permitted) use to “U” (permitted with use permit) to reflect actions taken under Ordinance 1664 in 2014 regarding the SRO use, including the addition of Section 10-4-8 of the Zoning Ordinance.

Changes to *Appendix E. City of Placerville Potential Low Income Housing Land Inventory*:

- Each site background within Appendix E would be changed by adding the new density maximum along with the development potential capacities that reflect the density range maximum change for the R-5 zone (24 du/a).

## **Zoning Ordinance Amendments (ZC 2015-04)**

Zoning Ordinance (Title 10) (The Draft Ordinance is provided as **Attachment B** of this report)

- Section 10-1-4: Definitions: The terms *condominium*, *multi-family dwelling*, *single-family dwelling*, *townhouse dwelling*, *attached dwelling unit* and *detached dwelling unit* would be added with their definitions.
- Section 10-4-9: Site Plan Review (C):
  - Consistent with State law, multi-family structures or owner-occupied single-family residential housing structures within the R-5 zone serving low and very low-income households would be exempt from Site Plan Review;
  - Multi-family structures or owner-occupied single-family residential housing structures within the R-5 serving moderate and above moderate income households would be added to those uses requiring Site Plan Review;
  - All new construction of professional office uses and conditional uses authorized under the R-5 zone would be added to the list of uses subject to Site Plan Review.
- Section 10-4-9: Site Plan Review (E) Procedure:
  - The required number of copies of submittal requirements under 1(b) would be amended. Required copy quantities would be those as specified on application forms, or as prescribed by the Development Services Department;
- Section 10-4-9: Site Plan Changes (P) 3:
  - The requirement of the applicant to submit a radius map and property owners list would be removed as the Development Services Department performs this duty for public noticing. Remaining submittal requirements would be renumbered.
- Sections 10-5-9: R-2 Multi-Family Residential Zone, 10-5-10: R-3 Multi-Family Residential and 10-5-11: R-4 Multi-Family Residential:
  - The General Plan Land Use Element description for each zone would be added to the title of the zone (e.g. Low-Density, Medium-Density, High-Density, Very High-Density);
  - Subsection (B) Permitted Uses, the single-family use references and the site characteristic finding would be removed from the listing of permitted uses and listed within the conditional use category in subsection (C) as detached single-family dwellings;
  - Attached single-family dwelling units along with references to the Attached Single-Family Dwelling (Section 10-4-13) and Site Plan Review (Section 10-4-9) regulations would be added in subsection (B), Permitted Uses.
- Section 10-5-12: R-5 Multi-Family Residential Zone:
  - The General Plan Land Use Element description for the zone would be added to the title of the zone (i.e. Very High Density);

- Subsection (C) Conditional Uses: the single-family dwelling permitted use reference would be modified to specify attached single-family residential uses along with the reference to Attached Single-Family Dwelling (Section 10-4-13);
- Subsection (D) General Regulations:
  - The twenty (20) dwelling units per acre minimum and maximum density and the site characteristic language would be removed;
  - A revised description of Residential Density would be added that stipulates that housing development will be determined at the time the site is rezoned to R-5 based on “net density” that considers site specific environmental constraints such as slope greater than 30%, water courses, road rights-of-way, easements and the R-5 development regulations.
  - Revised density range of twenty (20) to twenty-four (24) du/a for the zone would be added;
  - Minimum parcel area for the R-5 zone would be changed to the amended area of 1,815 square feet, or 1/24 of an acre (43,560 sq. ft);
  - Minimum area per dwelling unit would be amended from 2,000 square feet to 1,815 square feet to reflect the minimum parcel area;
  - Subsection (E) Specific Regulations would be added to include:
    - Information that describes the applicability of all identified site specific development standards and California Environmental Quality Act (CEQA) mitigation measures adopted during the environmental review for the rezone of a site to R-5;
    - By-right housing development project provisions, consistent with State housing law, for projects on R-5 sites that are for and remain available to low-income, very-low income, extremely-low income or in combination shall not require a conditional use permit, planned unit development or other discretionary action for the use or density;
    - Design review for specified projects within the R-5 was added with the requirement for Site Plan Review.

**Background:** During the housing bubble in the early to mid-2000’s several R-2 and R-3 zoned sites within Placerville were developed with detached single-family residential uses. This resulted in the removal from the City’s inventory of land suitable for facilitating housing for moderate-income and below households. At that time the City’s R-2, R-3 and R-4 zones permitted single-family residential uses by-right. In some instances solitary single-family residences were built on these sites at a resultant density of less than a dwelling unit per acre, much less than eight to sixteen dwelling units per acre intended under the HD land use designation. As a result of this loss of land inventory, Housing Program 12: Zoning Ordinance Revisions – Cumulative Zoning, was adopted during the City’s 4<sup>th</sup> Cycle Housing Element Update (2008-2013). A purpose of Housing Program 12 was to ensure that the zoning standards do not constrain multi-family development by amending the Zoning Ordinance to allow single-family and non-residential development only as a conditional use in multi-family districts, and limit the placement of single-family homes to parcels where development of multi-family housing is infeasible, such as small or irregularly-shaped parcels.

On July 10, 2012 the Placerville City Council adopted Ordinance No. 1649 that amended Title 10: Zoning Ordinance of the Placerville Municipal Code, revising Section 10-5-9(B) and (C), Section 10-5-10(B) and (C) and Section 10-5-11(B) and (C), changing single-family residential uses from permitted to conditional use but permitting single-family residential use when findings can be made due to site circumstances that make the development of multi-family residential not practicable.

On February 11, 2014, the Placerville City Council adopted Resolution No. 8168 that approved General Plan Amendment (GPA) 2013-01, otherwise known as the 2013-2021 Housing Element (5th Cycle). GPA 2013-01 updated the City's General Plan Housing Element in accordance with State housing law (Government Code Section 65583) which states that a Housing Element is a mandatory element of the General Plan, and shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objective, financial resources, and schedule programs for the preservation, improvement, and development of housing within the planning area.

The City of Placerville is located in the Sacramento—Arden-Arcade—Roseville, CA Metropolitan Statistical Area (MSA) that encompasses the complete counties and cities of El Dorado, Placer, Sacramento and Yolo. Per the 2010 U.S. Census, the population for this MSA is 2,149,127. Per California Government Code §65583.2(e) and (f), the population characteristics for a jurisdiction located within a Metropolitan Statistical Area (MSA) are defined by the U.S. Office of Management and Budget to be either “metropolitan” or “suburban”. A jurisdiction is considered suburban if the jurisdiction's population is less than 25,000 and is located in a MSA of 2,000,000 or greater in population. Per the 2010 U.S. Census the population of the City of Placerville was 10,389.

California Government Code §65583.2(c), (h) and (i) of the State housing law sets forth the minimum density and development standards for a jurisdiction classified as “suburban” that the State asserts is appropriate to accommodate housing for lower income households. The minimum residential density requirement is twenty (20) dwelling units per acre (du/a) for local suburban jurisdictions such as Placerville.

On February 25, 2014, the Placerville City Council adopted Resolution No. 8174 that initiated the City's intent to amend the City of Placerville Zoning Map, the General Plan Land Use Map and the Placerville Zoning Ordinance to implement General Plan 2013-2021 Housing Element's Program 3. Program 3 commits the City to rezone land that would permit a minimum density of twenty (20) dwelling units per acre to accommodate the unmet housing need of 106 units for lower income households identified during the 2008-2013 Housing Element (4th Cycle) planning period and 133 units for lower income households identified during the 2013-2021 Housing Element (5th Cycle) planning period.

The City was notified in a March 5, 2014 letter by the Department of Housing and Community Development, Division of Housing Policy Development (HCD) that the City's 2013-2021 Housing Element (5th Cycle) was found to be in full compliance with State Housing Element law (Article 10.6 of the Government Code).

On September 23, 2014, the Placerville City Council adopted Ordinance No. 1665. This ordinance set the minimum and maximum density under the R-5 Zone (Section 10-5-12) at twenty (20) dwelling units to meet California Government Code §65583.2(h). In addition the ordinance further qualified that density achieved shall be determined by the City based on site specific environmental constraints such as slope, water courses, road rights-of-way, easements, along with the development regulations (yards, building height, etc.), consistent with the General Plan as amended.

The City was notified in a March 19, 2015 letter by HCD that the City's 5th Cycle 2013-2021 Housing Element Update no longer complies with State housing law. Required rezoning of sites to accommodate 106 lower income units representing the housing need for the 4th Cycle Housing Element (2008-2013) update had not been completed by the October 31, 2014 due date under State housing law.

HCD's letter further stated the City's effort in September 2014, under Ordinance 1665, to facilitate rezoning pursuant to Government Code §65583.2(h) and (i) that limited the density within the R-5 Zone to both a minimum and maximum of twenty (20) dwelling units per acre, can pose a potential constraint in not allowing flexibility and a range of densities to facilitate the development of multi-family housing. HCD suggested the City address this issue by amending the R-5 Zone to allow a range of densities (e.g. 20-25 units per acre). HCD's March 19, 2015 letter is provided as **Attachment C**.

Goal C and Policy 3 of Goal C of the City's 2013-2021 Housing Element addresses the City's commitment to facilitating the development of housing affordable to a range of housing for all income levels, including low- and moderate-income households, through review of the City Zoning Ordinance, permit processes, and development fees in order to identify and remove potential constraints to the development of said housing.

**Request Intent:** A stated purpose of the High Density Residential (HD) Land Use designation is to provide for a high-density residential environment where a range of housing types and densities are provided. In addition, a stated purpose of the R-2, R-3 and R-4 zones is to provide for the development of duplexes, other types of residences and multi-family dwellings. Proposed text changes to the General Plan and Zoning Ordinance for City Council approval reflect staff's evaluation of these documents to address potential constraints to the development of housing, specifically affordable housing for lower-income households (low-, very-low and extremely-low) that were raised by HCD. Furthermore, this evaluation included the need for adding new terminology and definitions that reflect the range of housing types and uses across the City's multi-family residential zones. These staff evaluations are consistent with Policy 3 of Goal 3 of the 2013-2021 Housing Element.

Proposed changes also respond to and provide clarity for the public, housing developers and decision makers. Staff conversations with housing developers, financial institutions and property owners during late 2014 and early 2015 revealed that there is interest in building various types of attached single-family dwellings (e.g. townhouses and condominiums) within the City on multi-family zoned properties. However, each pointed out the limitation of the City's multi-family residential zones that restrict the development of attached single-family residential uses as

conditional. Proposed zone text revisions to the R-2, R-3 and R-4 zones, that permit a range of densities from eight (8) to sixteen (16) du/a, would permit by right attached single-family residential uses to meet the intent of these zones to facilitate high-density residential uses. Attached single-family residential uses would be subject to Site Plan Review provisions of Section 10-4-9 of the Zoning Ordinance and the maintenance requirements of Section 10-4-13: Attached Single-Family Dwellings. Detached single-family residential use would then be classified as a distinct conditional use within the R-2, R-3 and R-4 zones. These single-family residential uses could be conditionally permitted upon findings by the Planning Commission that site circumstances or constraints (e.g. slope, parcel area, etc.) exist that make attached single-family residential uses not practicable.

The R-5 zone was created to address Government Code §65583.2(h) and (i) requirements and that help facilitate the development of the City's 4<sup>th</sup> Cycle and 5<sup>th</sup> Cycle Housing Element unmet RHNA for low-income and very low-income households. State requirements mandate a minimum density of twenty (20) du/a due to the City's suburban designation, a density deemed be affordable for low-income or lower-income households. These requirements also mandate that owner-occupied and rental multi-family residential housing for unmet RHNA low-income and very low-income households must be a use allowed by-right (permitted), not subject to a discretionary permit or other government approval that would constitute a "project" under the California Environmental Quality Act. Present R-5 language does not specify by-right provisions for owner-occupied and rental multi-family residential housing for unmet RHNA low-income and very low-income households. Proposed changes would meet the state requirement by permitting by-right low-income and very low-income attached owner-occupied single-family and rental multi-family housing. Additional City requirements would be added that stipulate that said by-right housing must contain affordability mechanism to ensure the housing for low-income and very low-income households remain affordable for a minimum of thirty (30) years.

Site Plan Review Criteria under Section 10-4-9 (G) are intended to provide the user with design principles in which new construction is to be evaluated under. Under the (C) 1 provision of Site Plan Review, all new construction of multi-family structures within the R-2, R-3 and R-4 zones require Site Plan Review. The City's R-5 zone when established deliberately excluded new multi-family residential structures from Site Plan Review as it was understood by staff that the City could not require it for a housing development project within the State's twenty (20) du/a minimum density suburban designation. State housing law does not however restrict the City from placing restrictions on housing developments within the State's suburban density designation that would serve the City's non- unmet RHNA need (e.g. moderate-income and above households).

To further Goal C and Policy 2 of Goal C of the General Plan's Community Design Section relative to the protection, enhancement and architectural compatibility of new residential construction, amendments to the Site Plan Review Ordinance (Section 10-4-9) would require Site Plan Review for all new multi-family housing developments within the R-5 zone serving moderate and above income households, the non- unmet RHNA need. For consistency with State law, the Site Plan Review modifications would exempt the development of owner-occupied and multi-family residential housing for low-income and very-low income households within the R-5 zone because of its potential to constitute a project under CEQA. City Development Guide

design criteria and other non-discretionary regulations and development standards would be used to evaluate low-income housing development projects in the R-5.

State housing law references to Government Code sections used in this staff report are provided as **Attachment D**. Terms that describe income households are those defined in the Housing Element.

**Environmental Review - CEQA:** These draft ordinance amendments are categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Amendments to the text of the General Plan and Zoning Ordinance do not in of themselves have a significant effect on the environment, in that the City has no land classified under the R-5 zoning designation at this time. Amendments to the R-2, R-3, R-4, Site Plan Review and Definitions sections of the Zoning Ordinance provide clarity over existing language, define terms used, remove constraints to the development of multi-family housing by expanding the number of housing types with the multi-family residential zones, but not change the densities in dwelling units per acre of the R-2, R-3 and R-4 zones. This project is therefore exempt from CEQA. Subsequent development projects subject to Site Plan Review would be evaluated for potential site, project specific and cumulative environmental impacts. Appropriate CEQA analyzes and documents would be prepared and circulated if applicable.

**Planning Commission Recommendation:** The Planning Commission conducted a public hearing on January 19, 2016 to consider public input regarding GPA 2015-02 and ZC 2015-04. Public and Planning Commission comments and concerns centered generally on the State's housing law, the twenty (20) dwelling units per acre minimum density requirements, and the Housing Element's required inventory of potential sites for rezoning to meet this minimum density. The Commission by minute order recommended to Council to approve of GPA 2015-02 and ZC 2015-04. Draft Minutes of the Planning Commission's January 19, 2016 meeting are provided as **Attachment E**.

**Public Notice and Comments:** Staff mailed written public notice to all property owners of record of properties within the City that are zoned Multi-Family Residential (R-2, R-3 and R-4). Written notice as also mailed to the property owners of record for the ten parcels contained in Appendix E of the 2013-2021 Housing Element that make up the City's required Housing Element land inventory for potential low income housing. The staff report is also posted on the City's website.

Written comments received to date are provided as **Attachment F**. Public concerns raised involve State housing law mandates, along with a suggestion of waivers of the minimum twenty (20) dwelling units per acre density under the R-5 zone upon showing of physical and/or financial infeasibility, and site specific concerns relative to achieving minimum density on a parcel within the 2013-2021 Housing Element's Low Income Land Inventory with a potential to be rezoned to R-5.

**Additional 2013-2021 Housing Element Implementation:** Development Services staff has also begun evaluating a site for Land Use and Zoning Map changes in order to partially address the



unmet lower income housing need identified in the 2013-2021 Housing Element. This evaluation and processing will occur separate from this GPA 2015-02 and ZC 2015-04 request. The site is 4.04 acres at the intersection of Mallard Lane and Macintosh Drive (APN 323-220-08). Potential environmental impacts will be evaluated. Public notice and comment will be a component of this land use and zone map amendment process. Staff expects this rezone request to be considered by the Planning Commission for recommendation to City Council during winter 2016.

**Options:**

1. Adopt the subject Resolution approving GPA 2015-02, and introduce the Ordinance for ZC 2015-04 as recommended by staff report.
2. Amend the Resolution and/or Ordinance, then adopt the Resolution and introduce the Ordinance, waiving the first reading.
3. Table discussion of the Ordinance and provide direction to staff to revise the Resolution and/or Ordinance for consideration by the City Council.
4. Do not adopt the Resolution and/or introduce the Ordinance.

**Cost:** Negligible upfront costs associated with generating copies of the document for Council consideration, public notice mailing, Mountain Democrat public notice and codifying publications.

**Recommendation:**

- I. Approve a resolution amending the text of the City of Placerville's *General Part I, Land Use / Circulation Diagrams And Standards*, and the *2013-2021 Housing Element* to remove constraints to the development of housing, and to bring it into consistency with State housing law. This request is known as General Plan Amendment (GPA) 2015-02, and
- II. Introduce an ordinance that would amend the text of Title 10 of the Placerville Municipal Code (Zoning Ordinance) to clarify terms, to remove constraints to the development of housing, and to bring it into consistency with State housing law. This request is known as Zoning Ordinance Amendment (ZC) 2015-04.



M. Cleve Morris, City Manager



Pierre Rivas, Director  
Development Services Department



Andrew Painter, City Planner

**Attachments:**

- A. Draft Resolution
- B. Draft Ordinance
- C. Department of Housing and Community Development, Division of Housing Policy  
Development March 19, 2015 letter

- D. Draft Minutes – January 19, 2016 Planning Commission Regular Meeting
- E. Government Code Sections 65580 – 65589.8, State housing law (for reference)
- F. Public Comments Received
- G. Letter to City Council, Feb 4 2016
- H. Letter, Brunello Johnson