

“We are a welcoming, active and business-friendly rural foothill community built on California’s rich gold rush history”



City Manager’s Report
March 24, 2026, City Council Meeting
Prepared By: Carole Kendrick, Development Services Director
Item#: 12.3

Subject: Consider making certain findings and accepting the 2025 Annual Housing Element Progress Report for the 2021-2029 Housing Element and directing staff to submit the 2025 City of Placerville Housing Element APR to the Department of Housing and Community Development and the Governor’s Office of Land Use and Climate Innovation.

Recommendation: (1) Adopt the attached resolution making certain findings and accepting the 2025 Annual Housing Element Progress Report for the 2021-2029 Housing Element and, **(2)** direct staff to submit the 2025 City of Placerville Housing Element APR to the Department of Housing and Community Development (HCD) and the Governor’s Office of Land Use and Climate Innovation (LCI).

Purpose: The purpose of the 2025 Annual Progress Report (APR) is to document the City's implementation of its 2021-2029 Housing Element programs, including progress toward Regional Housing Needs Allocation (RHNA) goals, and to maintain compliance with State Housing Element Law. This report must be presented to the Planning Commission and City Council for review before submission to the California Department of Housing and Community Development (HCD) and the Governor's Office of Land Use and Climate Innovation (LCI) by the April 1 deadline (Gov. Code § 65400).

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. The certified Housing Element identifies a need for 259 units during the planning period (56 very low-income, 34 low-income, 50 moderate-income, and 119 above-moderate-income). Annual reporting ensures timely implementation of programs to avoid revocation of compliance (Gov. Code § 65585(i)).

Discussion: HCD has developed a standardized Progress Report form for municipalities State-wide to utilize for annual reporting purposes. The spreadsheet form of the Placerville Housing Element Annual Progress Report for 2025 can be found at this link: [Placerville2025.xlsm](#). The two key tables in the APR are Tables “A-2” and “D.” The following is a summary of the City’s completed Progress Report form for 2025 activity highlights:

Table A2 – Annual Building Activity Report Summary – New Construction, Entitled, Permits, and Completed Units Table A2 reports the address locations of residential housing development building permits issued, completed entitlements, and units receiving certificates of occupancy

(issued by City Building Division upon final inspection) during the 2025 calendar year, classed by affordability level. The total number of Building Permits issued was 116 with eight (8) Accessory Dwelling Units (ADUs), twenty-six (26) Single-Family Detached (SFD) and eighty-two (82) multifamily affordable housing units (Middletown). There were no demolitions. There were twenty-three (23) Certificates of Occupancy Issued that included four (4) Accessory Dwelling Units (ADU) and nineteen (19) Single-Family Detached (SFD).

Table D – Program Implementation Status Pursuant to Government Code Section 65583 Table D is the City’s narrative describing the status of the City’s implementation of the Housing Program for the 2021-2029 Housing Element. Overall, Placerville demonstrated strong progress in 2025 toward meeting Regional Housing Needs Allocation (RHNA) goals, with ample land inventory exceeding needs, advancements in affordable housing projects, and compliance with state laws. Key efforts focused on high-density development, funding leverage, and zoning updates to remove constraints.

Program Implementation Progress Made:

- **RHNA and Land Inventory:** According to the Vacant Residential Land analysis contained in the 2021-2029 6th Cycle Housing Element, the City has sufficient vacant sites in excess of RHNA needs (128 units possible for above-moderate income vs. 119 needed; 52 residential units possible for moderate-income vs. 50 needed; 244 for very low/low income vs. 90 needed). Two major affordable projects, Mallard (72 units) and Middletown (82 units), are under construction, adding 154 units at 30-60% of Area Median Income (AMI). The existing Housing Opportunity Overlay (HO) areas intended for affordable housing cover 17 acres, with three additional sites proposed for 2026. No net loss of lower-income sites occurred.
- **Zoning and Special Needs Housing:** Adopted ordinances for supportive housing (AB 2162) and residential care facilities in December 2025. Issued permits for 22 accessible units in Middletown and amended zoning for family daycare (SB 234). Held multiple public hearings and maintained reasonable accommodation processes.
- **Incentives and Funding** Secured state/federal funds (e.g., PLHA, MHP) for Mallard/Middletown, including a \$400,000 PLHA loan. Implemented fee deferrals (SB 937) to reduce upfront costs for affordable projects. Partnered on "Jumpstart ADU" for pre-approved plans and explored density bonuses.
- **Fair Housing and Infrastructure:** Updated fair housing resources on the city website and conducted outreach via hearings and workshops. Supported Housing Choice Vouchers and expanded transportation through ADA Plan updates and \$150,000 for bike/pedestrian facilities.
- **Preservation and Safety:** No conversions of at-risk units or mobile home parks. Enforced code compliance, processed historic site reviews, and directed short-term rental regulations to preserve long-term housing (adoption expected March 2026). Promoted energy efficiency per Title 24.

Areas Where Progress Was Limited: While significant strides were made, challenges included limited fiscal resources leading to no home rehabilitations or housing conditions surveys in 2025 (falling short of the 2 homes/year goal). Delays occurred in some ordinance amendments, such as demolition regulations and full density bonus updates, deferred to 2026 due to evolving state laws. No senior housing requests, self-help projects, or formal first-time homebuyer programs were advanced, highlighting opportunities for enhanced partnerships and grant pursuits.

Planning Commission Review: At its regular meeting on March 3, 2026, the Planning Commission reviewed the 2025 Annual Progress Report for the 2021-2029 Housing Element. The Commission made specific findings, adopted a resolution, and recommended that the City Council accept the report.

Discussion focused on implementation progress to date, including areas of advancement as well as challenges and delays, particularly related to staffing resources and funding availability.

Links to the staff report and the adopted Planning Commission resolution are available in the Attachments section below.

Environmental Review: The Annual Progress Report is an administrative activity and is exempt from CEQA review under CEQA Guidelines §15061(b)(3), as it has no potential for causing a significant effect on the environment.

Cost: None

Budget Impact: None



Dave Warren, City Manager



Carole Kendrick, Development Services Director

Attachments:

Attachment A: City Council Resolution No. XX

Attachment B: Planning Commission Staff Report March 3, 2026

Attachment C: Planning Commission Resolution No 2026-03