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**Development Services Department Staff Report
March 3, 2026, Planning Commission Meeting
Development Services Director: Carole Kendrick**

Item# 9.1

Subject: General Plan Amendment GPA 26-01 and Zone Change ZC 26-01 to Apply the Housing Opportunity (HO) Overlay to 201 New Morning Court (APN 325-240-016); 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; and (2) Recommend that the City Council approve General Plan Amendment GPA 26-01 to amend the General Plan Land Use Designation from Commercial (C) to Commercial-Housing Opportunity Overlay (C-HO) for the 2.36-acre site at 201 New Morning Court (APN 325-240-016); (3) Recommend that the City Council introduce and waive the first reading of an Ordinance approving Zone Change ZC 26-01 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), which 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 would facilitate up to 56 multi-family units on the site, with at least 50% 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 in response to the California Department of Housing and Community Development's (HCD) December 3, 2025 Letter of Inquiry (LOI).

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). The 201 New Morning Court site (APN 325-240-016) is the first of these identified parcels up for consideration and was selected for its size (2.36 acres), vacancy, commercial zoning, access to utilities, grocery stores, restaurants, public schools, library and it is adjacent to an existing multi-family residential use (Placer Village Apartments). Within this existing land use framework, the site is well-suited for future affordable multi-family housing development.

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.

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—though once a property is developed under the base zoning, the HO option is permanently forfeited. 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: (Detailed in attached Exhibits)

- Amend the General Plan Land Use Map to change the designation from C to C-HO.
- Amend the Zoning Map to change from C to C-HO. No text amendments to Title 10 are proposed; the overlay applies existing objective development standards.

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:** If construction activities commence during the general nesting season (February 1 to August 31), a pre-construction nesting bird survey and avoidance procedures if active nests are observed.
- **CUL-1:** If cultural resources (i.e., prehistoric sites, historic sites, and/or isolated artifacts) are discovered, all construction work within 100 feet of the find shall halt until assessed by a qualified archaeologist.
- **CUL-2:** If human remains are discovered, all construction work within 100 feet of the find shall halt until the discovered remains are properly assessed and appropriate protocols followed, including notification of the County Coroner and Native American representatives if applicable.
- **GEO-1:** If, during the course of development of the Project Site, paleontological materials are discovered, all construction work within 100 feet of the find shall halt until assessed by a qualified paleontologist.
- **HYDRO-1:** Prior to final design of Storm Drainage systems for the project, a project Drainage Report shall be prepared and approved by the City to manage stormwater per Chapter 15 Stormwater Quality and the City's MS4 Permit.
- **NOISE-1:** The City shall establish conditions of approval for any permit that results in construction, including use of mufflers on equipment, limiting construction hours to 7 AM-7 PM weekdays, and utilizing quiet construction equipment.
- **FIRE-1:** Wildfire prevention measures shall be implemented during construction of the Proposed Project, including use of spark arresters on equipment with the potential to create sparks and maintaining fire extinguishers on site.

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 March 3, 2026, Planning Commission public hearing was published in the Mountain Democrat on February 11, 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. Kathy Dunkak, CEO of the El Dorado County Fair (attachment I). The letter represents the opinions of Ms. Dunkak and Fair & Event Center Board. Staff's response to Ms. Dunkak's comments regarding the proposed Housing Opportunity Overlay at 201 New Morning Court is as follows: The Initial Study/Mitigated Negative Declaration (ISMND) comprehensively evaluates all potential impacts, finding them less than significant with incorporated mitigation measures and project commitments. The project aligns with the City's General Plan Programs, particularly the Housing Element's emphasis on infill development and affordable housing to meet regional needs. Traffic analysis indicates a minimal increase of approximately 310 daily trips, resulting in negligible congestion or infrastructure strain, with vehicle miles traveled deemed less

than significant for this affordable infill site; specific concerns about Ray Lawyer Drive's speed limit and blind curve were considered, but the modest volume addition does not pose substantial hazards. Compatibility with surrounding properties and neighborhood character is supported by aesthetics and land use assessments, ensuring the multi-family development integrates well without undermining existing patterns. Environmental and public service impacts, including those to safety and quality of life, are mitigated through adherence to standards for air quality, biology, hydrology, and utilities, with development fees funding enhancements to fire, police, schools, and parks. Parking provisions will comply with zoning requirements for multi-family dwellings, providing sufficient spaces on-site. Regarding noise from the Placerville Speedway and Fairgrounds, the ISMND's noise assessment, based on ambient measurements dominated by local traffic and commercial activity, concludes no excessive exposure for future residents beyond established standards. The proposed housing overlay supports responsible growth while addressing housing shortages without the unintended consequences mentioned.

The second letter is from Ms. Kristen Patterson, Executive Director of New Morning Youth & Family Services (attachment J). New Morning operates a children's emergency shelter at 211 New Morning Court <https://www.newmorningyfs.org/get-help/24-hour-youth-shelter-ashby-house/> and shares the access roadway with the subject site at 201 New Morning Court. Ms. Patterson states potential impacts on the emergency shelter do not appear to be considered. However, the Initial Study/Mitigated Negative Declaration (ISMND) for the 201 New Morning Court Housing Opportunity Overlay specifically identifies the adjacent Ashby House youth shelter (operated by New Morning Youth & Family Services) as a sensitive receptor (pages 18 and 51) and analyzes potential environmental impacts, including noise, air quality, and transportation effects from future high-density residential development of up to 56 units as outlined in Housing Element Program A-3. Mitigation measures, such as construction noise restrictions and traffic management, are incorporated to minimize disruptions to surrounding uses, including shared roadway access; staff welcomes collaboration with New Morning to address any site-specific concerns during future project development.



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 General Plan and Zoning Map amendments become effective 30 days post-adoption by City Council per Government Code §36937. This aligns with state mandates and there are no General Plan conflicts.

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

Report Prepared By: Carl Cahill, Planner

Attachments:

- Draft Planning Commission Resolution Recommending Approval of GPA 26-01, ZC 26-01, and MND
- Existing and Proposed General Plan Land Use and Zoning Map Amendment (combined Exhibit)
- Initial Study/Mitigated Negative Declaration (IS/MND) dated July 2025
- 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. Public Comment Letter from Ms. Kathy Dunkak, El Dorado County Fair (February 5, 2026)
- J. Public Comment Letter from Ms. Kristen Patterson, Executive Director of New Morning Youth & Family Services (February 23, 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) 26-01, Zoning Ordinance Amendment (ZOA) 26-01 and Mitigated Negative Declaration