

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
AMENDING TITLE 10 (ZONING) OF THE PLACERVILLE MUNICIPAL CODE BY
ADDING CHAPTER 13 (NO NET LOSS PROGRAM) TO ESTABLISH OBJECTIVE
PROCEDURES, INCENTIVES, AND DENSITY BONUSES TO MAINTAIN
RESIDENTIAL CAPACITY IN COMPLIANCE WITH THE HOUSING CRISIS ACT /
SENATE BILL 330 (GOVERNMENT CODE SECTION 66300)**

WHEREAS, California Government Code Section 65863 (the "No Net Loss" law) requires local jurisdictions to maintain sufficient residential site capacity to accommodate their regional housing needs allocation throughout the planning period of the Housing Element; and

WHEREAS, the State of California mandates that if any land use action, general plan amendment, zoning change, or development project reduces the residential density or unit capacity of a site, the city must identify and designate alternative replacement sites within 180 days to offset that loss; and

WHEREAS, the establishment of a centralized monitoring framework will ensure the City of Placerville remains in continuous compliance with state mandates and maintains an accurate inventory of available housing sites; and

WHEREAS, on October 21, 2026, the Placerville Planning Commission conducted a legally noticed special public hearing to consider the proposed amendment, received public testimony, and recommended approval to the City Council; and

WHEREAS, the City Council conducted a legally noticed public hearing on this ordinance, reviewed the recommendations of the Planning Commission, and determined that the adoption of this administrative monitoring framework is in the best interest of the city's public health, safety, and welfare.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACERVILLE DOES
ORDAIN AS FOLLOWS:**

SECTION 1: PURPOSE AND AUTHORITY

The purpose of this Ordinance is to amend Title 10 (Zoning Ordinance) of the City of Placerville Municipal Code to modernize the City's land-use framework by expanding siting opportunities for essential public services within established commercial corridors. This amendment is adopted pursuant to the authority vested in the City of Placerville under the California Government Code and the Planning and Zoning Law.

SECTION 1: CEQA

The City Council finds that this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). The adoption of administrative procedures for monitoring residential capacity consists solely of data tracking and regulatory oversight, does not result in a physical change to the environment, and has no potential to cause a significant environmental impact.

SECTION 3: AMENDMENT TO THE CODE

Title 10 (Zoning) of the City of Placerville Municipal Code is hereby amended by adding a new Chapter 13, titled "No Net Loss Program," which shall read in its entirety as set forth in Exhibit 1, attached hereto and incorporated herein by this reference.

SECTION 4. SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance or Exhibit 1 is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 5. EFFECTIVE DATE

This ordinance shall take effect 30 days after adoption pursuant to Government Code § 36937.

SECTION 6. CERTIFICATION

The City Clerk is directed to cause this ordinance to be codified in the Placerville Municipal Code.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Placerville held on November 10, 2026, by _____ who moved its adoption. The motion was seconded by _____.

PASSED AND APPROVED, by the City Council of the City of Placerville on November 10, 2026, by the poll taken as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MOVED, PASSED AND ADOPTED, this 8th day of December 2026, upon second reading by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor Nicole Gotberg

Attest:

Regina O’Connell, CPMC, City Clerk

EXHIBIT 1

Chapter 13: No Net Loss Program

10-13-1: Purpose and Intent

- A. Following the adoption of Senate Bill 330 (SB 330) and California Government Code Section 66300, the State established a housing crisis declaration.
- B. This statute restricts local jurisdictions from reducing residential density or shifting land to less intensive or non-residential uses below the January 1, 2018, baseline unless equivalent residential capacity is provided elsewhere.
- C. This Chapter establishes a local No Net Loss Program under SB 330 and the Housing Crisis Act of 2019, creating a Program Density Bonus to ensure housing inventory is maintained when zone changes occur.

10-13-2: Definitions

Key terms for this Chapter include:

- Baseline Capacity: Maximum residential units permitted by the General Plan and Zoning Code at application completeness, excluding bonus laws.
- Less Intensive Residential Use: Changes reducing allowable density, unit counts, or shifting land to non-residential uses.
- Program Density Bonus: Additional units allocated to counteract verified capacity reductions from downzoning.
- Unit Bank: The City's administrative ledger tracking available residential units resulting from legislative capacity reductions.

10-13-3: Establishment and Maintenance of the Unit Bank

- A. The Development Services Department maintains a Unit Bank Ledger for inventory tracking.
- B. Lost baseline capacity units from legislative rezonings are calculated and deposited into the Unit Bank.
- C. Deposited units remain accessible for Program Density Bonuses until depleted or expired under statutory mandates.

10-13-4: Program Density Bonus Eligibility and Allocation

- A. Applicants for residential projects in multi-family, high-density, or mixed-use zones may request Unit Bank allocations.
- B. Receiving sites must be at least one (1.0) acre in size.
- C. Bonuses cannot exceed twenty-five percent (25%) above the site's baseline capacity.

10-13-5: Relationship to Development Standards

- A. Bonus units are not considered variances to underlying zoning density limits.

B. Projects must still meet objective physical standards (height, setbacks, coverage) unless separate adjustments apply.

10-13-6: Application and Submittal Procedures

Applications require concurrent submittal with primary entitlement packages, including site plans, written justifications, and administrative fees.

10-13-7: Binding Agreement and Recordation

Prior to building permits, applicants must record a formal No Net Loss Program Density Bonus Agreement with the County Recorder as a covenant running with the land.

10-13-8: Affordable Housing Requirements

A. Mandatory Inclusionary Set-Aside. To qualify for a Program Density Bonus allocation from the Unit Bank under Section 10-13-4, a project must dedicate a minimum percentage of the baseline or bonus units as deed-restricted affordable housing. The project must satisfy at least one of the following baseline targets:

1. Very Low-Income: Not less than five percent (5%) of the total units must be dedicated to Very Low-Income households, as defined by California Health and Safety Code Section 50105.
2. Lower-Income: Not less than ten percent (10%) of the total units must be dedicated to Lower-Income households, as defined by California Health and Safety Code Section 50079.5.
3. Moderate-Income: Not less than ten percent (10%) of the total units in a common interest development must be dedicated to Moderate-Income households, as defined by California Health and Safety Code Section 50093.

B. Term of Affordability. All affordable units utilized to satisfy the requirements of this Chapter must remain affordable to the designated income groups for a minimum duration of fifty-five (55) years from the date of issuance of the Certificate of Occupancy.

C. Comparability of Units. Affordable units constructed under this program must be indistinguishable from market-rate units in terms of exterior architectural style and build quality. They must be equitably dispersed throughout the residential development project and contain a proportional distribution of bedroom counts relative to the market-rate inventory.

D. Interaction with State Density Bonus Law. Units dedicated to affordable housing under this section may be counted concurrently toward satisfying eligibility thresholds under the California State Density Bonus Law (Government Code Section 65915). A project may combine allocations from the local Unit Bank and State Density Bonus frameworks, provided the total combined density bonus does not conflict with local health and safety mandates or exceed the specific structural capacity of the receiving site.

E. Displaced Units and Replacement Obligations. If a project site contains existing or recently demolished residential units that were occupied by lower-income households, or subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to

persons and families of lower or very low income within the past five (5) years, the applicant must replace those units at an equal or greater size and density at the designated income level, in strict accordance with the replacement housing requirements of Government Code Section 65915(c)(3).

10-13-9: Appeals Process

A. Right to Appeal. Any applicant or interested party aggrieved by an administrative determination, calculation, or action taken by the Development Services Department under this Chapter—including but not limited to Unit Bank baseline calculations, availability of allocations, or affordable housing requirements—may appeal the decision.

B. Filing Period and Method.

1. Timeline: A written appeal must be filed with the Planning Division within ten (10) calendar days from the date of the written administrative determination.
2. Requirements: The appeal must be submitted using the City's standard appeal application forms, explicitly state the grounds for the appeal, cite any alleged errors in the Director's application of this Chapter, and be accompanied by the standard administrative appeal fee established in the City's master fee schedule.
3. Stay of Proceedings: Filing a timely and complete appeal application stays all further administrative processing, plan checking, or permit issuance for the subject project until a final resolution is reached.

B. Hearing Body and Authority.

1. Initial Appeal to Planning Commission: The Planning Commission serves as the initial hearing body for all administrative appeals under this Chapter. The City shall schedule a public hearing to be held within thirty (30) calendar days of receiving a complete appeal application, providing public notice consistent with local hearing standards.
2. Final Appeal to City Council: The determination of the Planning Commission may be appealed to the City Council by filing a written appeal with the City Clerk within ten (10) calendar days of the Planning Commission's final action. The City Council shall hear the matter within forty-five (45) calendar days of filing.

C. Standard of Review and Burden of Proof.

Burden: The appellant bears the burden of proof to demonstrate by a preponderance of the evidence that the administrative determination was made in error or was inconsistent with the objective text of this Chapter or California Government Code Section 65863.

Finality: The decision of the City Council on any appeal under this section is final and conclusive. Any subsequent judicial challenge to the final city action must be filed within the statutory timelines prescribed by the California Code of Civil Procedure.