



"We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history."

Planning Commission Staff Report

Meeting Date: October 21, 2026

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PROJECT INFORMATION SUMMARY

Case File: Zoning Ordinance Amendment (ZOA) 26-05 - No Net Loss Program

Request: Proposing to add Chapter 13 to Title 10 (Zoning) of the Placerville Municipal Code. The proposed ordinance would establish objective procedures and standards for monitoring residential capacity and ensuring compliance with Government Code §65863 (No Net Loss). Pursuant to the California Environmental Quality Act (CEQA), the City has determined that the proposed ordinance is exempt under CEQA Guidelines §15061(b)(3) (Common Sense Exemption), as the adoption of administrative procedures for monitoring residential capacity does not result in a physical change to the environment and has no potential to cause a significant environmental impact.

Summary Recommendation:

Recommend that the City Council adopt ZOA 26-05, adding Chapter 13 to Title 10 (Zoning) of the Placerville Municipal Code as set forth in Exhibit 1 of Attachment C, alongside the associated Notice of Exemption.

PURPOSE

On October 9, 2019, the California Legislature adopted Senate Bill 330 (SB 330) which, among other things, adopted California Government Code § 66300, declared a housing crisis in the State of California and imposed certain requirements designed to streamline the construction of new housing, and prevent the loss of existing housing and land available for future residential use, unless replaced in other areas of the affected jurisdiction to ensure no net loss in residential capacity. SB 330 became effective on January 1, 2020.

To ensure the City's compliance with SB 330 it is recommended to establish a no Net Loss Program for certain residential projects. This proposed Chapter provides, concurrently with the approval of any change in zone from a residential use to a less intensive or non-residential use, a density bonus will become available to project applicants subsequently seeking to develop property for residential use within the City. In doing so, the City will ensure that there is no net loss of residential capacity within the City as required by SB 330.

PROGRAM REQUIREMENTS

Housing development projects may request an allocation of density bonus units from the Unit Bank if they satisfy the following objective criteria:

- **Lot Size:** The project must be located on a parcel of at least one (1.0) acre or be processed concurrently with a parcel merger of two or more lots that creates a combined site of not less than one acre.
- **Eligible Zones:** The project must be a residential or mixed-use housing development situated within one of the following zones:
 - Multi-family residential zones (e.g., R-2, R-3, R-4, R-5)
 - Designated high-density commercial or mixed-use corridors.
- **Housing Development Scale:** The project must consist of five (5) or more residential units or lots.
- **Program Density Bonus Cap:** The total number of local bonus units awarded to a project cannot exceed twenty-five percent (25%) above the site's baseline capacity and shall never exceed the current balance available in the No Net Loss Unit Bank ledger.
- **Mixed-Use Restrictions:** No density bonus units shall be granted or calculated for the nonresidential commercial portion of a residential mixed-use development.

Affordable Housing Requirements

To utilize the local Program Density Bonus, developers must comply with mandatory inclusionary set-asides and deed restrictions:

- **Income Specific Targets:** Projects must dedicate a minimum portion of their baseline or bonus units to affordable housing, satisfying at least one of the following criteria:
 - Very Low-Income: Minimum of five percent (5%) of total units.
 - Lower-Income: Minimum of ten percent (10%) of total units.
 - Moderate-Income: Minimum of ten percent (10%) of total units within common interest developments.
- **Term of Affordability:** All designated affordable units must be subject to a deed restriction running with the land for a minimum duration of fifty-five (55) years from the issuance of the Certificate of Occupancy.
- **Unit Comparability:** Affordable units must be structurally identical to market-rate units in build quality, exterior architecture, and bedroom distribution, and must be equitably dispersed throughout the project footprint.
- **Displaced Unit Replacement:** If the project site contained lower-income residents or deed-restricted units within the past five (5) years, the applicant must replace those units at equal size and density in strict compliance with Government Code Section 65915(c)(3).

DEVELOPMENT STANDARDS

All development standards for the base zone and/or overlay shall be met. Granting a density bonus does not constitute approval of or grounds for modification or waiver of any development standard or other requirement of this Title. Any variance or modification to standards requested shall be reviewed and processed based on the required findings for those applications regardless of the No Net Loss Program density bonus request.

PROCESSING OF NO NET LOSS PROGRAM DENSITY BONUS REQUESTS

- A. *Application.* Any application required by this Title shall be submitted for a project that includes a No Net Loss Program density bonus. The application shall be filed consistent with Chapter 10.3 (Administration). The application, whether a pre-application or a formal application, shall be provided on the City's application form and include a description of the proposed housing development, including the total number of units and total number of No Net Loss Program density bonus units proposed.
- B. *Processing.*
 1. The application shall be processed as part of the application for the housing development consistent with Chapter 10.3 (Administration).
 2. Within 90 days of receipt of the application for a No Net Loss Program the City shall provide a letter to the applicant, which identifies whether the requested density bonus units are available in the No Net Loss Program Unit Bank, project issues of concern, and the procedures for compliance with this Chapter.
 3. The Development Services Director shall have the sole authority to administer and maintain the No Net Loss Program Unit Bank balances, credits, and availability.

PROCESSING AND LEDGER MANAGEMENT

- **Application Submission:** Program bonus applications must be submitted concurrently with the primary entitlement package on standard City forms, detailing total baseline units and requested Unit Bank allocations.
- **Administrative Tracking:** The Development Services Director maintains sole authority to manage, audit, and update the No Net Loss Capacity Ledger.
- **Review Timeline:** Within ninety (90) days of a complete application filing, staff will issue an official determination letter confirming unit availability within the Unit Bank and specifying the procedures for compliance.
- **Recorded Agreement:** Prior to building permit issuance, approved applicants must execute and record a formal, legally binding No Net Loss Program Density Bonus Agreement with the County Recorder.

APPEALS PROCESS

Any applicant or interested party aggrieved by an administrative calculation, unit ledger tracking determination, or staff ruling under this Chapter may file an appeal:

- **Filing Window:** A written appeal must be filed with the Planning Division within ten (10) calendar days of the written administrative determination, accompanied by the standard fee.
- **Stay of Proceedings:** A timely appeal application automatically stays all further plan checking, engineering reviews, or permit issuances for the project.
- **Hearing Hierarchy:** The Planning Commission serves as the initial hearing body and must hold a public hearing within thirty (30) days of filing. Commission rulings may be appealed to the City Council within ten (10) days of the vote, and the City Council's subsequent determination shall stand as final.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act (CEQA), the City has determined that the proposed ordinance is exempt under CEQA Guidelines §15061(b)(3) (Common Sense Exemption). The amendment consists solely of administrative updates to section citations in an existing ordinance; it does not authorize physical development, change land-use designations or zoning, or result in any physical change to the environment. Consequently, it has no potential to cause a significant environmental impact. A Notice of Exemption is included as Attachment A.

RECOMMENDED PLANNING COMMISSION ACTION

Hold a public meeting; and,

The Planning Commission may take one of the following actions based on the analysis provided:

1. Forward a recommendation of approval to the City Council
2. Forward a recommendation of approval with modifications to the City Council
3. Forward a recommendation of denial to the City Council

If adopted, the Zoning Code amendments to Title 10, Chapter 13 of the Placerville Municipal Code 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.

ATTACHMENTS

- A. CEQA Notice of Exemption
- B. Planning Commission Resolution No. 2026-12 – Draft
- C. Ordinance Amendment - Draft
- D. Proof of Publication

INCORPORATED BY REFERENCE

City of Placerville General Plan

City of Placerville Zoning Ordinance
Contents of City of Placerville Planning Department Project File for Zoning Ordinance
Amendment ZOA 26-005