

# DEVELOPMENT SERVICES DEPARTMENT

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EL DORADO

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## MEMORANDUM

**DATE:** November 20, 2007      Agenda of: November 8, 2007  
**TO:** Planning Commission      Item #: 11  
**FROM:** Peter N. Maurer, Principal Planner  
**SUBJECT:** Mixed Use Development

### **BACKGROUND**

On April 18, 2006, the Board of Supervisors adopted a Resolution of Intention (ROI) to amend the General Plan with regards to Floor Area Ratio and Mixed Use Development. An amendment to the Floor Area Ratio was adopted on July 10, 2007. The Board directed staff to address Mixed-Use Development (MUD) separately from the proposed FAR amendment. A new MUD land use designation, as outlined in the ROI, included a FAR of 1.00, allowed residential density from 10 to 24 dwelling units per acre, and provide for a density bonus to encourage affordable housing.

The County entered in to a contract with PMC to assist in the development of an amendment to the General Plan and to prepare the environmental review for MUD. In December of 2006 staff met with PMC, who, after analyzing the scope of the project, recommended the County reconsider the approach of implementing a new land use designation for MUD as defined in the ROI. They believed the environmental review would be too extensive and findings may not support the desired outcome. PMC provided a range of options the County could consider incorporating into mixed use provisions including, but not limited to, one or more new mixed use zoning designations, creation of an overlay district for mixed use, and/or establishing special use regulations and development standards for mixed used developments within existing zone designations.

In early 2007 staff contacted four market analysis firms who have worked with private development in building mixed use projects. Their thoughts on MUD for El Dorado County were not strong. They had found through previous studies that MUD generally only “penciled out” when the development took place in dense urban cores with existing adequate or mostly adequate infrastructure, whereby only the need for “modernization” of existing infrastructure and

road improvements were required. This is more commonly found in Redevelopment Project Areas or infill types of projects. However, they did believe MUD could work in suburban and rural areas if incorporated into large planned developments where transportation and infrastructure could be included within a specific plan. Currently El Dorado County allows for the development of MUD projects with a Planned Development or Specific Plan.

In February, Leland Consulting Group, one of the 4 market analysis firms contacted, proposed that the County may be able to achieve MUD in some areas but recommended the County explore in more detail what exactly are the desired outcomes. Leland recommended the County survey some of its largest or most prominent land owners and developers to learn their thoughts on what is achievable in the short, mid, and long-term markets.

On March 23, 2007, staff attended a one-day forum on MUD, hosted by the Urban Land Institute. Participants included panelist from private land use planning, architect and engineering firms who have developed MUD projects within California and throughout the United States. The panelists expressed repeatedly that communities interested in achieving mixed use projects should look for opportunities within existing community or neighborhood fabrics and should modify existing land use and zoning codes to allow for more flexibility. They had found that separate land use designations for MUD had not proven to be as successful in most communities.

## **DISCUSSION**

Planning Services staff believes, in light of the above information, this may be an opportunity to modify the original project description and explore more specific areas of the County best suited for this type of development, by looking at ways the County could work within existing policies and ordinances to achieve both short and long term goals. Therefore, staff is recommending a two-step process for encouraging mixed use projects throughout the County. First step would be to amend the General Plan and Zoning Ordinance to allow for MUD use by right within our commercial zones. The second step would be to study areas within the County to determine which communities and neighborhoods (commercial and residential) would best benefit from MUD.

### **Regional Housing Needs Allocation (RHNA)**

Planning Services staff has been working closely with Sacramento Area Council of Governments (SACOG) staff since January of this year to develop a reasonable allocation for El Dorado County and its Housing Element update for the planning period of 2008-2013. The most recent proposed allocation requires the County to zone for 11,277 residential units with approximately 50 percent of those units within zone districts that will allow for up to 20 units per acre. Currently this density is only accommodated on parcels that have General Plan land use designations of Multi-Family and are zoned Multi-Family (RM), Limited Multi-Family (R2) or Mobile Home Park (MP).

State Law 65583.2(h) states: *The program [Housing Element]...shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584. At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use [only] and for which nonresidential uses or mixed-uses*

*are not permitted.* Therefore, up to 50 percent of the residential zoned lands targeted for the total number of units can be accommodated were mixed uses are permitted.

The 2004 General Plan policy 2.2.1.2 allows for mixed use development of commercial lands within Community Regions and Rural Centers that combine commercial and residential uses as long as the commercial activity is the primary and dominant use of the parcel. Maximum density for the residential component in mixed use development on commercial lands within Community Regions is 10 units per acre, and 4 units per acre in Rural Centers. In order to include these commercial lands within the RHNA process, a General Plan Amendment would be required to increase the 10 units per acre to 20 units per acre. However, 24 units would be consistent with the County's Multi Family Residential land use designation.

The Regional Housing Needs Allocation (RHNA) for the unincorporated area of El Dorado County may be difficult to achieve in the upcoming planning period simply using existing lands set aside for residential development. To give an example, there are approximately 570 acres of currently vacant land designated for Multi Family Residential (MFR) development. MFR allows for 5-24 units per parcel to be developed. In theory this should provide for a possible 6,840 units in the MFR designation, if we were to conservatively estimate 12 units per acre (i.e. considering site constraints and other development requirements). However, State Housing Law requires a site by site analysis to determine the maximum development potential of each parcel. There are approximately 200 parcels that make up the 570 acres. More than 50 percent of these parcels are 0.6 acres or less, thereby not capable of developing large numbers of units. Fifty-percent of the MFR acreage is made up of only 14 parcels. It is likely that additional land use changes may be necessary to meet the Housing Law requirements, but providing greater flexibility for MUD by right in commercially-zoned areas could help in reaching the target RHNA numbers.

### **Commercial Land Inventory Analysis**

Currently there is approximately 1,101 acres (524 parcels) of vacant commercial land within the unincorporated area of the County. Thirty-six percent of the County's vacant commercial is within Rural Centers with most of the remaining (64%) located in Community Regions. More than 57 percent of the County's vacant commercial parcels are 1 acre or less in size. There are only 12 parcels within the Community Regions that include 10 or more acres with the largest commercial parcel just under 50 acres.

Parcels that are designated Commercial but currently developed with uses other than commercial are considered to be underdeveloped or underutilized. There are approximately 930 acres with a Commercial Land Use designations but are developed with uses other than commercial. Of the 930 acres, 62 percent, or 571 acres are single family dwelling units. The remaining 38 percent is a mix of public/miscellaneous uses (9%), multi family housing (5%) and industrial/office (24%). Of the 571 acres currently developed with single family units, 344 acres are within Community Regions and more than 33 parcels are 2 plus acres in size, with the largest parcel being more than 21 acres. These parcels are of interest to the development community for consideration of more dense urban development as supported by the County's General Plan policies pertaining to Community Regions.

## CONCLUSION

Planning Services staff seeks direction on how best to proceed with the implementation of mixed used development. Staff's recommendation is a first step in encouraging mixed use development within existing commercial areas that would benefit from the addition of residential uses. It could also address infill development needs in commercial areas. Step one is not intended to address a comprehensive approach to mixed used development throughout the unincorporated area of the County. What it does provide for is the flexibility in achieving the State required RHNA, while affording the time and opportunity to explore in more detail the County's desired outcomes of mixed use projects, taking into consideration mid and long term goals.

As a follow-up to the first step of making MUD a use permitted "by right" in Commercial areas, staff would continue to work on a more comprehensive approach to encouraging mixed use projects throughout the unincorporated area of the County. This would allow for the County to consider areas other than commercial where MUD may be beneficial, such as in Multi Family Residential developments where services such as small eateries, small retail stores, health services or youth centers would enhance the overall neighborhood. Changes may require the development of new mixed use zoning designations, creation of an overlay district for mixed use, and/or establishing special use regulations and development standards for mixed use developments within existing zone designations.

Should a revision to the original project description be approved, staff would begin development of design standards and guidelines and potentially provide conceptual models for mixed use projects within the County's Community Regions.

## RECOMMENDATION

A. Staff recommends the Planning Commission forward a recommendation to the Board of Supervisors to revise the original project description and consider the following:

1. Amend General Plan Policy 2.1.1.3 to include mixed use development to occur horizontally as well as vertically and increase density to allow for up to 24 dwelling units per acre within Community Regions. Policy 2.1.1.3 would read as follows:

*Mixed use developments which combine commercial, research and development, and residential uses on a single parcel are permissible and encouraged within Community Regions ~~provided the commercial use is the primary and dominant use of the land.~~ Within Community Regions, the mixed uses may occur vertically and horizontally. In mixed use projects, the maximum residential density shall be ~~10~~ 24 dwelling units per acre within Community Regions.*

2. Amend Table 2-2 of Policy 2.2.1.3 to increase the range of population densities in the respective land use designation based upon the permitted range of dwelling units per acre and number of persons per acre.

<b>TABLE 2-2 LAND USE DENSITIES AND RESIDENTIAL POPULATION RANGES</b>			
<b>Land Use Designation</b>	<b>Units Per Acre</b>	<b>Persons Per Housing Unit<sup>1</sup></b>	<b>Persons Per Acre</b>
Multifamily Residential	5 – 24	2.3	11.5 - 55.2
High-Density Residential	1 – 5	2.8	2.8 - 19.6
Medium-Density Residential	1 – 0.2	2.8	2.8
Low-Density Residential	0.20 - 0.1	2.8	0.56 - 0.28
Rural Residential	0.1 – 0.025	2.8	0.28 - 0.07
Agricultural Lands	0.05	2.8	0.14
Natural Resource	0.025 – 0.00625	2.8	0.07 - 0.0175
Commercial	<del>10/4<sup>2</sup></del> <u>24/4<sup>2</sup></u>	<u>2.3/2.8</u>	<del>28-55.2/11.2</del>
Research Development &	10/4 <sup>3</sup>	2.8	28/11.2
Industrial	–	–	–
Open Space	–	–	–
Public Facilities	–	–	–
Tourist Recreational	–	–	–
<b>Notes:</b>			
<sup>1</sup> 1990 U.S. Census			
<sup>2</sup> Maximum of <del>10</del> 24 units per acre in Community Regions; maximum of 4 units per acre in Rural Centers			
<sup>3</sup> Maximum of 10 units per acre in Community Regions; maximum of 4 units per acre <u>in Rural Centers</u>			

3. Amend Zoning Ordinance Chapter 17.32 to included Mixed Use Development as a use “by right” in all commercial zoned districts with a maximum residential density of 24 dwelling units per acres within Community Regions and a maximum residential density of up to 4 units per acre in Rural Centers.
- B. Direct staffs to begin a comprehensive analysis of communities and neighborhoods and work with land owners and developers to examine were and what type of mixed use development would benefit other areas in the County.

## **GENERAL PLAN REFERENCES TO MIXED USE**

### **Land Use Element**

**Policy 2.1.1.3** Mixed use developments which combine commercial, research and development, and residential uses on a single parcel are permissible and encouraged within Community Regions provided the commercial use is the primary and dominant use of the land. Within Community Regions, the mixed uses may occur vertically. In mixed use projects, the maximum residential density shall be 10 dwelling units per acre within Community Regions.

**Policy 2.1.2.5** Mixed use developments which combine commercial and residential uses on a single parcel are permissible and encouraged within Rural Centers provided the commercial use is the primary and dominant use of the land. Within Rural Centers, the mixed uses may occur either vertically or horizontally. The maximum residential density shall be four dwelling units per acre in Rural Centers in mixed use areas.

**Policy 2.2.1.2** Commercial (C): The purpose of this land use category is to provide a full range of commercial retail, office, and service uses to serve the residents, businesses, and visitors of El Dorado County. Mixed use development of commercial lands within Community Regions and Rural Centers which combine commercial and residential uses shall be permitted provided the commercial activity is the primary and dominant use of the parcel. The residential component of the project shall only be implemented following or concurrent with the commercial component. Except for Community Care Facilities described in Objective 4.1.2, developments in which residential usage is the sole or primary use shall be prohibited on commercially designated lands. Numerous zone districts shall be utilized to direct specific categories of commercial uses to the appropriate areas of the County. Except as provided in Policy 2.2.2.3, this designation is considered appropriate only within Community Regions and Rural Centers.

### **Housing Element**

**Policy HO-1h** The County shall encourage mixed-use projects where housing is provided in conjunction with compatible nonresidential uses.

### **Public Services and Utilities Element**

**Policy 5.8.3.1** Child day care facilities shall be allowed by right in commercial/office projects, in multiple family housing developments, in mixed use developments in specific plans, in employment centers, and near transit facilities.

**Health, Safety and Noise**

**Policy 6.7.4.1** Reduce automobile dependency by permitting mixed land use patterns which locate services such as banks, child care facilities, schools, shopping centers, and restaurants in close proximity to employment centers and residential neighborhoods.