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Date: August 26, 2025

To: Board of Supervisors

From: Karen L. Garner, Director

Subject: **SB 35 Notice of Intent for SMH-P25-0001 Diamond Springs Mixed Use Affordable Housing Project**

EXECUTIVE SUMMARY

A Senate Bill 35 Notice of Intent (SB 35 NOI) was received by the Planning Division for the Diamond Springs Mixed Use Affordable Housing Project (SMH-P25-0001) to construct two (2) stories of housing above an existing single-story commercial building at 677 Pleasant Valley Road (Assessor's Parcel Number 097-010-067), consisting of 16 units. The proposed SB 35 project is located within a moderate resource area according to the California Tax Credit Allocation Committee / California Department of Housing and Community Development (CTCAC/HCD) Opportunity Map. According to a recent state law (SB 423), which expands and extends SB 35, an informational public meeting with the Board of Supervisors (Board) is required within 45 days of receiving the SB 35 NOI, for any proposed SB 35 affordable housing project located within a census tract that is designated either as a low or moderate resource area by the CTCAC / HCD Opportunity Map (Exhibits E and F, Attachment B).

CURRENT SB 35 LAW

SB 35 (Government Code 65913.4) which was signed into law in 2017, applies to local jurisdictions without sufficient progress toward their Regional Housing Need Allocation ("RHNA"), the number of projected housing units, categorized by income level, required for each local jurisdiction within the state. As of June 30, 2025, the Department of Housing and Community Development ("HCD") lists El Dorado County among the 205 jurisdictions that have made insufficient progress toward their Lower Income RHNA (Very Low and Low income) and are therefore required to enable SB 35 streamlining for projects that include at least 50%

affordable housing units. Eligible projects must comply with objective planning standards (see bullets below), provide specified levels of affordable housing with term restrictions, and meet other specified requirements (Exhibit I, Attachment C).

General SB 35 Eligibility Criteria

SB 35 requires cities and counties to approve a housing development application for a multifamily housing project with at least two units (2) that fulfills the following criteria:

- The project must provide at least 50% of units affordable to households making at or below 80 percent of the area median income (AMI) subject to recorded restrictions or covenants for at least 55 years for rental units and 45 years for ownership units.
- The site must be located in an urbanized area, which means the entire parcel is within a U.S. Census designated Urban Area (formerly urbanized area or cluster) (Exhibit D, Attachment B).¹
- The site must be an infill site with 75% of its perimeter adjoining parcels developed with urban uses (as defined in Public Resource Code 65913.4 (m)).
- The project must be consistent with any objective zoning standards, objective subdivision standards, and objective design review standards, provided that the developer may modify adopted objective standards through a density bonus, incentives, concessions, waivers, and/or parking reductions allowed under the State Density Bonus Law.
- The developer must meet certain labor standards, such as a commitment to pay prevailing wages on projects of more than 10 units, and the following:
 - For projects with 50 units or more, the developer must provide healthcare benefits to workers.
 - For projects over 85 feet tall, the developer must prioritize hiring skilled and trained workers.
 - If available, developers must hire workers participating in an apprenticeship program.
- The site must not be located in farmland, wetlands, certain fire hazard zones, a hazardous waste site, floodplains or floodways, a protected habitat, or land under a conservation easement.
- The project must not demolish housing occupied by tenants or be on a site governed by laws that regulate mobile homes, campers, or recreational vehicles.
- Local jurisdictions must engage in a tribal consultation process prior to accepting an application for streamlined, ministerial approval.

¹ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>

Key SB 423 Amendments

SB 423, signed into law October 11, 2023 and effective on January 1, 2024, extends and expands the provisions of SB 35 through the year 2036. Selected SB 423 amendments are listed below, along with a brief analysis in respect to the County.

- **Consistency Determination:** A County must approve a development if the planning director or equivalent position determines the development is consistent with the objective planning standards. This change is consistent with the County's recent change to a director-level determination for streamlined housing projects rather than Planning Commission-level determination (Resolution 214-2024).
- **Prerequisites to Project Approval:** SB 423 clarifies that local governments cannot require studies, information, or other materials that do not pertain directly to determining whether the development is consistent with applicable objective planning standards, including compliance with any standards necessary to receive a post-entitlement permit (e.g., building permit, grading permit). The County can still enforce standards for post-entitlement permits but cannot withhold approval if those standards are not met during the SB 35 application process.
- **Informational Public Meeting Requirement:** A noticed public meeting must be held by the Board of Supervisors within 45 days of receiving a SB 35 NOI application and before a Streamlined Ministerial Housing (SMH) application is submitted for a qualifying multifamily development if the proposed project site is in a low or moderate resource area or an area of high poverty and segregation based on the CTCAC/HCD Opportunity Map (Exhibits E and F, Attachment B).² The public meeting would not be a hearing but would be informational and allow the Board and public to provide non-binding comments on the project. The applicant must attend the meeting and review the public testimony and written comments. If the Board of Supervisors does not hold the public meeting within 45 days after receiving the SB 35 NOI, the applicant must hold a public meeting on the proposed development before submitting the SMH application. The County does not have any areas of high poverty and segregation based on the CTCAC/HCD Opportunity Map.
- **Fire Hazard Development:** SB 423 modifies the SB 35 criteria pertaining to areas subject to fire hazard mitigation measures and lists standards that must be met to mitigate fire hazards and risk. Projects compliant with building and fire regulations, satisfy this requirement.

² <https://belonging.berkeley.edu/2025-ctcachcd-affh-mapping-tool>

SB 35 APPLICATION PROCESS

SB 35 eligible projects are exempt from CEQA (CEQA Guideline Section 15268), as they are subject to a ministerial review process. SB 35 includes the following timelines for streamlined review:

- 1) **SB 35 NOI Pre-Application.** Planning staff shall complete the Tribal Consultation process with California Native American tribes that are traditionally and culturally affiliated with the area and provide SB 35 preliminary eligibility checklist comments to the applicant.
- 2) **Informational Public Meeting.** Planning staff shall arrange for a Board of Supervisors' public meeting within 45 days of the SB 35 NOI submittal if the proposed project is determined to be within a low or moderate resource area.
- 3) **Streamlined Ministerial Housing Application (SMH).** There are two steps to the SMH review process. First, Planning staff shall provide written comments to the project applicant if the proposed project does not meet objective planning standards within 60 days of application submittal for projects of 150 or fewer units, and 90 days for projects containing more than 150 units. Afterwards, review of the Interim Objective Design Standards must be completed in 90 days for 150 or fewer units and 180 days for projects with more than 150 units, measured from the date of the SB 35 application submittal. Planning staff will provide a determination of approval or denial for the proposed SB 35 SMH project.
- 4) **Post-Entitlement Review.** Applications for post-entitlement permits (e.g., building, grading permits) shall be processed under state and local standards that were in effect when the SMH application was submitted, unless the applicant agrees to any change in standards. Review of these permits is subject to the time limits in Government Code Section 65913.3.
- 5) **Modification Request.** If a modification request to an approved SB 35 development request is submitted to the local government before the issuance of the final building permit, the County shall determine if the requested modification is consistent with objective planning standards and either approve or deny the modification request within 60 days after submission of the modification, or within 90 days if design review is required.

CTCAC/HCD OPPORTUNITY & HIGH-POVERTY & SEGREGATION MAPS

Background

The state-wide Opportunity and High-Poverty and Segregation maps were created to advance California's Affirmatively Furthering Fair Housing (AFFH) objectives to increase low-income families and children's access to housing and opportunity.

The High-Poverty and Segregation Map focuses on identifying geographic areas that have high poverty rates and racial segregation. Currently, El Dorado County does not contain any high-poverty and segregated areas.

The Opportunity Map classifies geographic areas throughout the state based on specific indicators that are associated with positive economic, educational, and health outcomes for low-income families, with a particular focus on long-term outcomes for children. The opportunity categories consist of low, moderate, high, and highest resource, based upon poverty rates, adult education levels, employment, median home value, environmental burden, and reading and math proficiency. The Opportunity Map compares neighborhoods within the same region based on the above-noted indicators. It distinguishes between urban and rural areas and compares rural areas within the same county (Exhibit H, Attachment B).

Many affordable housing projects within the state are located in moderate or low resourced areas. As a response, the State has utilized the Opportunity Map to prioritize competitive funding for the Low-Income Housing Tax Credit (LIHTC) programs and other related programs. These programs have spurred increases in the percentage of affordable housing projects located in higher-resourced areas.

El Dorado County Opportunity Map Analysis

In recent years, state streamlining legislation for affordable housing, such as SB 35/423, SB 6, AB 2011, and SB 9 have all required that qualifying projects be located in a U.S. Census designated Urban Area.³ This discussion will focus on the opportunity resource categories that appear within the Community Regions, which generally correspond with the Urban Area boundaries (Exhibit E, Attachment B).

The Opportunity Map divides the County into rural and urban areas. Areas within the County's Community Regions may be considered rural within the Opportunity Map.⁴ For example, Shingle Springs is a Community Region but is considered a rural area in the Opportunity Map. Much of El Dorado Hills Community Region is included in the "Capital Region," which signifies that its metrics are compared to those of other urban areas in Placer, Sacramento, and Yolo Counties. Cameron Park Community Region has a small northwestern portion (close to El Dorado Hills) that is within the Capital Region. The other Community Regions, including the majority of the Cameron Park Community Region, is within the rural area. In terms of the opportunity resource categories (low, moderate, high, highest), rural areas within the County are ranked in comparison to other rural areas within the same County (Exhibit H, Attachment B). Following are brief

³ Though there are Urban Areas in the Tahoe basin, this discussion will be focused on West Slope Urban Areas, which are under the County's purview.

⁴ Rural areas are those that are considered rural on the U.S. Department of Agriculture's online rural multifamily maps.

crosswalk descriptions between County Community Regions and the Opportunity Map designations:

- The majority of El Dorado Hills Community Region is within the Capital Region. El Dorado Hills Community Region contains high and highest resource areas.
- Cameron Park Community Region has a small northwestern portion (close to El Dorado Hills) that is within the Capital Region. The remaining areas within Cameron Park Community Region are considered rural. The Community Region primarily consists of high and highest resource areas although there is an area bounded by Cambridge Road to the west, Green Valley Road to the north, Cameron Park Drive to the east, and La Canada Drive to the south that is considered moderate resource. This area is characterized by small commercial uses, apartments, and smaller-lot residential homes.
- Shingle Springs Community Region is considered rural by the Opportunity Map and only contains high and highest resource areas.
- Placerville Community Region is also considered rural and primarily consists of moderate and low-resourced areas with small portions of highest resource areas at the northwest fringe of the Community Region. The City of Placerville comprises the majority of the Placerville Community Region.
- El Dorado Diamond Springs Community Region is considered rural and consists of moderate and low-resourced areas with small portions of highest and/or high resource areas near the northwest and southwest fringes of the Community Region. The proposed project is within the El Dorado Diamond Springs Community Region.

El Dorado Diamond Springs Community Region Opportunity Map Analysis

Over fifty percent (54%) of El Dorado Diamond Springs Community Region is within the low resource area. Over a quarter (28%) of the Community Region is within the moderate resource Area. A little over ten percent (12%) of the Community Region is within the high resource area, and six percent (6%) is within the highest resource area (Exhibit E, Attachment B). These opportunity resource designations represent a snapshot in time and are assessed and updated annually based on the specified indicators.

The highest and high resourced areas are along the northwest tip and along the southwest corner of the El Dorado Diamond Springs Community Region. Areas that are identified as low resource include the areas directly south of Highway 50, northeast of Missouri Flat Road, and directly south of Pleasant Valley Road. The moderate resource areas are interspersed between the low resource areas and are found north of Highway 50; west of Pleasant Valley Road and southwest of Missouri Flat Road and near or along Forni Road, and east of State Highway 49 and north of Pleasant Valley Road (Exhibit F, Attachment B).

Six (6) prior approved affordable housing projects, including SB 35 projects are located within the El Dorado Diamond Springs Community Region, in low or moderate resource areas, as shown in Exhibit F (Attachment B).

BOARD DISCUSSION FOCUS

Project Description and Status

A SB 35 Notice of Intent (NOI) was received by the Planning Division for the Diamond Springs Mixed Use Affordable Housing Project (SMH-P25-0001) to construct two stories of housing above an existing single-story commercial structure at 677 Pleasant Valley Road (Assessor's Parcel Number 097-010-067). The approximately 8,000-square-foot addition would provide a total of 16 housing units (8 units per floor) to be available for rent at or below 80% of AMI income (Exhibit G, Attachment B). The project site is within El Dorado Diamond Springs Community Region and the Placerville – Diamond Springs Urban Area. It is located within a moderate resource area.

The parcel has a General Plan land use designation of Commercial (C) and a zoning designation of Commercial Mainstreet-Design Historic (CM-DH), which allows for residential-commercial mixed use development. The neighboring parcels have the same land use designation and zoning designation. The proposed project site is located along the Pleasant Valley Road corridor and is surrounded by a small single-story commercial building to the west, duplexes and a single-family home at the northern end of the cul-de-sac, and roadways to the east and south with commercial uses beyond.

Public Meeting Scope

The public meeting is an opportunity for the Board and the public to comment on the proposed project, because this is an affordable housing project in a moderate resource area. The meeting is informational only; it is not a design review meeting. Design review of the project occurs with the submittal of a new SMH application, which will occur after the NOI process (SMH25-0001) is concluded.

The County may not deny the project based upon its location within a moderate resource area or proximity to other SB 35 projects, provided that the proposed project meets all of the SB 35 requirements and objective County standards. No decisions regarding project approval or denial will be made during this meeting.

SUPPORTING INFORMATION

Staff Memo Exhibits (Attachment B)

Exhibit A.....	Aerial Map
Exhibit B.....	Land Use Map
Exhibit C.....	Zoning Map
Exhibit D.....	Placerville-Diamond Springs Urban Area Map
Exhibit E.....	Opportunity Map for Community Regions
Exhibit F.....	Affordable Housing Projects in El Dorado Diamond Springs Community Region Map
Exhibit G.....	SB 35 NOI Plans
Exhibit H.....	CTCAC/HCD Opportunity Map FAQs and Methodology

Staff Memo Exhibits (Attachment C)

Exhibit I.....	SB 35 Presentation
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