

**ORDINANCE NO. XXX**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRASS VALLEY AMENDING SUBSECTION (C) AND ADDING SUBSECTION (D)(7) TO SECTION 17.44.140 OF CHAPTER 17.44 OF TITLE 17 OF THE GRASS VALLEY MUNICIPAL CODE TO ALLOW ELIGIBLE MIXED-USE PROJECTS TO INCLUDE UP TO 10 DWELLING UNITS IN THE TOWN CORE ZONE PURSUANT TO GOVERNMENT CODE SECTION 65913.5**

WHEREAS, at its regular meeting held on September 12, 2023, the Grass Valley City Council directed staff to draft an ordinance that would incentivize conversion of under-utilized upper and basement level spaces to residential use within the Town Core zoning designation (the “Ordinance”); and

WHEREAS, the City of Grass Valley desires to incentivize investment in older buildings in order to preserve the historical integrity and aesthetics of downtown; and

WHEREAS, the City of Grass Valley encourages housing close to employment opportunities and the Tinloy Transit Station; and

WHEREAS, the General Plan Land Use Element includes policy 9-LUP to “provide for higher residential densities on infill sites and in the Downtown area,” and 23-LUP to “encourage mixed-use developments incorporating a variety of densities on infill sites and in areas proposed for annexation”; and

WHEREAS, the General Plan Housing Element Goal D, Policy I encourages “private reinvestment in older residential neighborhoods and private rehabilitation of housing”; and

WHEREAS, the City of Grass Valley desires to promote the conversion of underutilized buildings for residential use in order for the City to meet housing demand and meet housing production targets of the Regional Housing Needs Allocation (RHNA) established by the California Department of Housing and Community Development (HCD); and

WHEREAS, Senate Bill 10 (Weiner) added section 65913.5 to the Government Code, effective January 1, 2022, authorizing a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density if the parcel is located on an urban infill site; and

WHEREAS, Government Code section 65913.5(a)(3) specifies that an ordinance adopted under its provisions and any resolution to amend the jurisdiction’s General Plan, or other regulation, is not a project for the purposes of the California Environmental Quality Act; and

WHEREAS, the Town Core zoning district is subject to adopted fire hazard mitigation measures pursuant to existing building standards and state fire mitigation measures in accordance with section 65913.5(a)(4)(A).

WHEREAS, the proposed Ordinance and increased density is consistent with the City’s obligation to affirmatively further fair housing pursuant to Government Code Section 8899.50 and with programs of Goal A of the 2019–2027 Housing Element, To Designate Sufficient Land at Appropriate Densities and Establish Development Standards and Permit Procedures to Accommodate the City’s Share of Nevada County’s Housing Needs for All Income Groups; and

WHEREAS, the Planning Commission, after considering public comment, held a duly noticed public hearing and reviewed the draft Ordinance at its regular meeting held on \_\_\_\_\_ and voted \_\_\_\_\_ to recommend adoption by the City Council.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GRASS VALLEY:

SECTION 1. RECITALS. The recitals and findings set forth above are true and correct and incorporated herein by reference.

SECTION 2. CODE AMENDMENT. Subsections (C) and (D) of Section 17.44.140 of Chapter 17.44 of Title 17 of the Grass Valley Municipal Code are hereby amended to read as follows (deletions denoted by ~~struck through~~ text and additions denoted by underlined text):

**17.44.140 – Mixed use projects**

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C. Maximum Density. ~~The residential component of a mixed-use project shall not exceed a maximum density of fifteen units per acre. This standard shall not apply in the traditional community development zones.~~

1. The residential component of a mixed-use project shall not exceed a maximum density of fifteen units per acre. This standard shall not apply in the traditional community development zones.
2. A parcel within the Town Core Zone may be developed with a mixed-use project containing up to 10 dwelling units, subject to the approval of a Minor Use Permit application and compliance with the following standards:
  - a. The parcel meets the definition of “urban infill site” as defined by Government Code Section 65913.5(e)(3);
  - b. The parcel is not publicly owned land designated as open-space land or for park or recreational uses;
  - c. The maximum allowable density for the parcel does not already allow a minimum of 10 dwelling units; and
  - d. The proposed project is consistent with this Chapter, including the Project Design Standards outlined in subsection (D)(7) of this Section 17.44.140.

Nothing herein shall be construed to reduce the allowable density of any parcel in the Town Core Zone.

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D. Site Layout and Project Design Standards. Each proposed mixed-use project shall comply with the property development standards of the applicable zone, and the following requirements.

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7. In addition to the above standards, any mixed-use project taking advantage of the density allowance provided in subsection (C)(2) of this Section 17.44.140 shall comply with the following standards:

a. At least two-thirds of the square footage of the mixed-use project shall be designated for residential use.

b. Off-street parking at a minimum ratio of one parking space per dwelling unit shall be provided within 1,300 feet of the mixed-use project. A minimum of one parking space shall be assigned to each dwelling unit and be guaranteed by written instrument or agreement approved by the City.

c. No dwelling unit created pursuant to subsection (C)(2) of this Section 17.44.140 in excess of the otherwise maximum allowable density for a given parcel shall be rented for a period of less than 30 days. Developers shall record a restrictive covenant prior to certificate of occupancy, limiting the dwelling units created pursuant to this section to rental periods of at least 30 days, and agreeing to the foregoing. The restrictive covenant shall clearly indicate the number of dwelling units that may be rented for less than 30 days and the number that must be rented for at least 30 days.

d. Dwelling units shall not occupy ground-floor street-frontage space adjacent to a public or private street, regardless of whether that street is open to vehicular traffic. Dwelling units may be allowed at ground level behind street-fronting nonresidential uses. The ground-floor street-frontage space within a mixed-use building shall be reserved for commercial uses, except for a lobby or other entry feature providing access to the dwelling units.

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**SECTION 3. CEQA FINDINGS.** This Ordinance not a Project under the California Environmental Quality Act (CEQA) pursuant to section 65913.5(a)(3) of the California Government Code, which provides that any ordinance adopted under its provisions and any resolution to amend the jurisdiction's General Plan, zoning ordinance, or other local regulation adopted to be consistent with that zoning ordinance, shall not constitute a "project" for the purposes of CEQA.

**SECTION 4. SEVERABILITY.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance or its application to any person or circumstance is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to other persons and circumstances. The City Council of the City of Grass Valley declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof despite the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

**SECTION 5. Effective Date.** This Ordinance shall be in full force and effect 30 days after its adoption under Article VII, § 2 of the Grass Valley City Charter.

**SECTION 6. Publication.** The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published once in *The Union*, a newspaper of general circulation printed, published, and circulated within the City.

INTRODUCED and first read at a regular meeting of the City Council on the \_\_\_\_ day of \_\_\_\_\_ 2025.

FINAL PASSAGE AND ADOPTION by the City Council was at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

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Jan Arbuckle, Mayor

APPROVED AS TO FORM:

ATTEST:

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Michael G. Colantuono, City Attorney

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Taylor Whittingslow, City Clerk