



PLANNING AND BUILDING DEPARTMENT

Affordable Housing Unit

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Date: December 11, 2025

To: Sue Phillips, Interim Chief Administrative Officer

From: Karen Garner, Director, Planning and Building Department

Subject: Racquet Way Apartment Complex, Phase 2 (DR21-0006)

Background and Process

On December 11, 2007, the Board of Supervisors adopted Board Policy B-14, establishing the Traffic Impact Mitigation (TIM) Fee Offset Program—now known as the Traffic Impact Fee (TIF) Offset Program. This program was created to support the development of affordable housing by funding the most effective projects to address housing needs.

Under this policy, the County allocates \$1 million annually from federal and state transportation revenues to offset TIF costs for qualifying affordable housing developments. These offsets reduce the TIF owed by applicants while maintaining full funding for the TIF Program. Importantly, the offsets are not cash subsidies. Approved rental projects must enter into an Affordable Housing Agreement (AHA), which deed-restricts the units to ensure they remain income-restricted and that rents do not exceed program limits for the duration of the agreement.

The Planning and Building Department's Affordable Housing Unit administers the program and coordinates the TIF Advisory Committee (Committee), which includes representatives from the Chief Administrative Office (CAO), Environmental Management, Department of Transportation, and Planning Division.

The Committee evaluates applications and recommends allocations to the CAO, who then submits a recommendation to the Board of Supervisors. The Board must find that the project:

Provides significant community benefit by offering housing affordable to very low-, low-, or moderate-income households within unincorporated areas of El Dorado County.

Applications are accepted twice annually, in January and July. The application period for Round 36 closed on July 15, 2025.

Project Overview / Application Request

Project: Racquet Way Apartment Complex, Phase 2
Design Review Permit: DR21-0006

On September 9, 2021 (Legistar File 21-1433), the Planning Commission approved the Racquet Way Apartment Complex, Phase 2 (formerly Courtside Apartments, Phase 2), a Senate Bill (SB) 35 project. The site is located at 577 Racquet Way (Assessor's Parcel Number 051-461-067) in Diamond Springs.

Project Details:

- Six (6) multi-unit residential buildings
- 24 two-bedroom rental units affordable to households earning up to 80% of the Area Median Income (AMI)
 - 12 units reserved for low-income, age-restricted (55+) households
 - 12 units reserved for low-income, non-age-restricted households

The project is located in TIF Zone B and requested a 75% TIF Offset totaling \$208,647.

Request Summary

Project Name	Racquet Way Apartment Complex, Phase 2
Developer	Jaswal Family Trust
Total Restricted Units	24
Target Income	Low Income (less than 80% AMI)
TIF Zone	Zone B – Diamonds Springs
Supervisory District:	District 3 – Supervisor Brian Veerkamp

TIF Calculation per Unit (Effective August 9, 2025 – Resolution 073-2025)

- 12 Multi-Family Age-Restricted Units
 - \$7,727 per unit → Total: \$92,724
 - 75% Offset Eligible: \$69,543
- 12 Multi-Family Units
 - \$15,456 per unit → Total: \$185,472
 - 75% Offset Eligible: \$139,104

Committee Evaluation and Findings

The Committee reviewed the application for eligibility and evaluated it based on the following criteria:

- Complete application packet
- Established site control
- Developer capacity
- Benefit to very low-, low-, and/or moderate-income households
- Alignment with County Housing Element goals
- Inclusion of mixed-income housing
- Geographic distribution of affordable housing units within the project
- Availability of services and infrastructure
- Likelihood of receiving approvals and beginning construction within two (2) years

Committee Recommendation

The Committee recommends a 50% TIF Offset, rather than the 75% requested, due to concerns regarding the developer's capacity to manage long-term affordability requirements, based on the following considerations:

1. The developer has not demonstrated sufficient experience in developing or managing deed-restricted affordable housing. County staff would likely need to provide substantial support to ensure compliance with long-term affordability obligations, particularly as the County is the sole entity overseeing these requirements.
2. The Applicant also did not fulfill all obligations under the TIF Offset Agreement for a prior phase. While staff is currently working with the Applicant to rectify these deficiencies,

this situation further demonstrates the Applicant's limited experience in Affordable Housing development.

Program Summary to Date

As of today, approximately \$11 million remains available in the TIF Offset Program for future projects. Any unspent funds will roll forward into the next year's allocation.

The next application period for projects with five (5) or more units will open in January 2026. Since the program's inception in 2007, and including the recommendations in this report, the County has awarded \$4,688,884 in TIF Offsets, supporting the development of 344 affordable housing units for very low-, low-, and moderate-income households.