



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY**

**Daniel Nielson, M.P.A.
Director**

*Housing, Community and
Economic Development Programs*

TO: Terri Daly, CAO

FROM: Ren Scammon, Administrative Services Officer *Ren*
Housing, Community and Economic Development Programs

DATE: August 27, 2012

RE: TIM Fee Offset for Affordable Housing Units
July 2012 - Round 10 Application Review Recommendations

On December 11, 2007, the Board of Supervisors adopted policy B-14, Traffic Impact Mitigation (TIM) Fee Offset Program for Developments with Affordable Housing Units. The Traffic Impact Fee Program includes a provision to set aside \$1 million of federal and state transportation revenues annually for a period of 20 years to be used to offset TIM fees in the development of affordable housing. Affordable units must be designed to serve very-low to moderate-income households in the unincorporated areas of El Dorado County to be eligible under specific guidelines of the Traffic Impact Mitigation (TIM) Fee Offset Program. The TIM Fee Offset Program allows for a reduction of TIM fees *and is not a cash subsidy*.

In an effort to fulfill both the TIM Fee Offset Program and Housing Element implementation program the TIM Fee Offset Review Committee ("Committee"), comprised of representatives from the Health and Human Services Agency, Development Services Department, Environmental Management, and the Department of Transportation (DOT), considers requests from developers twice each year, in January and July, to identify specific projects that will provide a significant community benefit by providing housing that is affordable to very-low-, low- and/or moderate-income households. A recommendation for approval of TIM Fee Offset by the Committee does not imply approval of the project. Developers must submit projects for approval and permits through El Dorado County Planning Services.

Approximately \$3.5 million dollars is available to offset TIM fees for affordable housing units. Three applications were submitted for the tenth round of the TIM Fee Offset program; two for second dwelling units on owner-occupied parcels located in Diamond Springs (Zone 3, Supervisorial District 3), and Pilot Hill (Zone 4, Supervisorial District 4), and one application for a multifamily workforce housing rental project in Shingle Springs (Zone 2, Supervisorial District 2). TIM Fees for second dwelling units are calculated by DOT based on the fee for multifamily residential (MFR). The TIM Fee Offset requests submitted amount to \$125,120.

The Committee reviewed and rated the applications based upon criteria established by Board Policy B-14.

Request Summary:

Project Name	Schuck Second Dwelling Unit	Diamond Springs
Developer	Robert and Rachaela Schuck	
Total Units	1	
Target Income Group	Low	
Offset \$	\$ 23,300.00	
TIM Zone	3	
Supervisory District	3 - Jack Sweeney	
TIM Fee Offset Request	\$ 23,300.00	

Recommendation:

- TIM Fee Offset: Up to **\$ 23,300** (Zone 3 MFR TIM Fee assessment)
Conditions:
1. Execute TIM Fee Offset Agreement
 2. Rent Limitation and Tenancy Schedule Agreement
 3. Execute TIM Fee Recapture Agreement for 20-year affordability
 4. Execute Planning Services Notice of Restriction

Request Summary:

Project Name	Paquette Second Dwelling Unit	Pilot Hill
Developer	Sean and Tina Paquette	
Total Units	1	
Target Income Group	Low	
Offset \$	\$ 8,620.00	
TIM Zone	4	
Supervisory District	4 - Ron Briggs	
TIM Fee Offset Request	\$ 8,620.00	

Recommendation:

- TIM Fee Offset: Up to **\$ 8,620** (Zone 4 MFR TIM Fee assessment)
Conditions:
1. Execute TIM Fee Offset Agreement
 2. Rent Limitation and Tenancy Schedule Agreement
 3. Execute TIM Fee Recapture Agreement for 20-year affordability
 4. Execute Planning Services Notice of Restriction

Request Summary:

Project Name	Skyview Apts	Shingle Springs
Developer	Gerald and Elizabeth Caditz	
Total Units	5	
Target Income Group	Low	
Offset \$	\$ 23,300.00	Per Unit

TIM Zone	2	
Supervisory District	2 - Ray Nutting	
TIM Fee Offset Request	\$ 93,200.00	

Recommendation:

- TIM Fee Offset: Up to **\$93,200** (Zone 2 MFR TIM Fee assessment)
- Conditions:
1. Execute TIM Fee Offset Agreement
 2. Rent Limitation and Tenancy Schedule Agreement
 3. Execute TIM Fee Recapture Agreement for 20-year affordability
 4. Execute Residential Anti-Displacement Agreement

Comments: The Skyview Apartment project is phase two of the development consisting of new construction of one four-plex of two-bedroom units in addition to a deed restriction of one two-bedroom unit of standing stock. Current Offset policy requires that construction of the project begin within two years of a TIM Fee Offset award.

The amount of TIM Fee Offset for this project calculated at a 75 percent reduction for 4 low-income units would be \$69,900. The Committee supports the Offset request for an addition incentive of \$23,300 in TIM Fee Offsets for a total of \$93,200 to provide a total of five deed-restricted units.

Under Board Policy B-14, the Skyview project could meet the requirement for 5 or more units by providing 100% percent of the newly constructed units and one unit of standing stock as deed-restricted with rents affordable to low-income households for a minimum of 20 years. The total TIM Fees for the project would be \$93,200 (\$23,300 per unit – Zone 2 multifamily). The recommended offset of \$93,200 would equal an offset of 100 percent of TIM Fees and has been requested by the applicant to ensure the project is financially feasible; thereby ensuring the probability the units will come to be built.

Staff recommends that the Board consider approval of the Offset for the project at the requested 100 percent amount of \$93,200, with the knowledge that the project assists the County in meeting several additional goals and objectives of the General Plan, including those found in the Land Use Element, Public Services and Utilities Element and the Housing Element. These goals support the development in Community Regions with nearby transportation, shopping and medical services, infill development, and increasing the supply of housing affordable to lower income households.

The project is located in Shingle Springs on Product Drive near Durock Road and consists of 1.03 acres. The Committee submits the following factors to support the recommendation:

- a. The County is committed to developing incentive programs and partnerships to encourage private development of affordable housing (Policy HO-1.18, Measure HO-4)
- b. The project supports the County’s efforts to achieve infill development objectives. (Policy 5.2.1.6; Priority to Infill development, and HO-11; Development of Infill Incentives)
- c. The Committee agrees with the developer’s request for the additional TIM Fee Offset for the following reasons: the project is in close proximity to public transit

routes; close proximity to community facilities, close to medical services; close proximity to present and future commercial and retail job centers.

Program Update:

Should the recommended TIM Fee Offsets in the amount of \$125,120 be awarded, approximately \$3.4 million would remain in the TIM Fee Offset Program to assist future projects. Any balance remaining at the end of the year will be carried forward and added to the \$1.0 million allocation for the next year. The next application round is January 1-15, 2013.

Since implementation of the TIM Fee Offset Program in December 2007, and with approval of the Committee recommendations herein, three million two hundred ninety nine thousand one hundred twenty dollars (\$3,299,120) in TIM Fee Offsets have been awarded to support the construction of 157 affordable housing units reserved for very-low- to moderate-income households in El Dorado County.

Committee Recommendation

The TIM Fee Offset Review Committee recommends that the CAO agree that these projects will provide a significant community benefit by providing housing that is affordable to very-low-, low- and/or moderate-income households and request Board approval for TIM Fee Offsets of up to \$125,120. The program allocation summary and redacted project applications are attached to this document for your consideration.