



PLANNING AND BUILDING DEPARTMENT

Affordable Housing Unit

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Date: March 27, 2026
To: Sue Phillips, Chief Administrative Officer
From: Karen Garner, Director, Planning and Building Department
Subject: Diamond Village Apartments II (DR24-0008)

Project Overview

Project: Diamond Village Apartments II
Design Review Permit: DR24-0008

On January 9, 2025 (Legistar File 25-0006), the Planning Commission approved Design Review Permit DR240008 for Diamond Village Apartments II (Project), an affordable housing development processed under SB 35. The Project is located at 750 Black Rice Road (Assessor's Parcel Number 051-461-069) in Diamond Springs.

Project Details:

- Four (4) multi-unit residential buildings
- 30 rental units affordable to households earning 80% or less of the Area Median Income (AMI)
- One (1) manager's unit
- Office and community room
- Supportive services – case management, public benefits enrollment, and life skills education

The project will provide dedicated housing and supportive services for seniors, individuals with disabilities, and other vulnerable households, including 21 units specifically designated for people experiencing or at risk of homelessness. Comprehensive supportive services will be delivered by EA Family Services, offering case management, public benefits enrollment, life-skills education, and coordinated access to a wide range of off-site referral services such as healthcare, behavioral health, Substance Use Disorder treatment, education, employment assistance, food resources, Domestic Violence support, legal services, and childcare. These services will be funded through a HOME-ARP (American Rescue Plan) Capitalized Operating Subsidy Reserve award of \$3,560,000, supplemented by ongoing property cash flow, ensuring long-term stability and support for residents.

County Policies and Goals

On December 11, 2007, the Board of Supervisors adopted Board Policy B-14, establishing the Traffic Impact Mitigation 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 offering targeted fee offsets to eligible projects and ensuring that County resources are applied to the most effective efforts in meeting local 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. For this Round, the Committee's review also included participation from the Health and Human Services Agency (HHSA).

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 affordable housing to very low-, low-, or moderate-income households within unincorporated areas of El Dorado County.

The County's Housing Element, which is adopted and certified by the California Department of Housing and Community Development (HCD), requires the County to implement goals, policies and measures that promote the development of affordable housing, including the use of fee incentives and offsets.

The current project supports the Housing Element in the following ways:

Housing Goal: HO – 1: To provide for housing that meets the needs of the existing and future residents in all income groups.

Policy HO-1.6 The County will encourage new or substantially rehabilitated discretionary residential developments to provide for housing that is affordable to very low-, low- and moderate-income households.

Policy HO-1.7 The County shall give highest priority for permit processing to development projects that provide housing affordable to very low- or low-income households.

Policy HO-1.8 The County shall encourage mixed-use projects where housing is provided in conjunction with compatible nonresidential uses. Such housing shall be allowed by right, subject to appropriate site development standards.

Policy HO-1.18 The County shall develop incentive programs and housing partnerships to encourage private development of affordable housing.

Policy HO-1.25 The County shall encourage programs that will result in improved levels of service on existing roadways and allow for focused reductions in the Traffic Impact Mitigation (TIM) Fee. Such programs may include, but not be limited to, analyzing the traffic benefits of mixed-use development.

Housing Goal HO-4: To recognize and meet the housing needs of special groups of county residents, including a growing senior population, the homeless, agricultural employees, and the disabled through a variety of programs.

Policy HO - 4.2 County policies, programs, and ordinances shall provide opportunities for disabled persons, including developmentally disabled persons, to reside in all neighborhoods.

Implementation Program Measures:

- HO 5 – develop and adopt an incentive based policy that will encourage, assist, and annually monitor the development of housing that is affordable;
- HO 25 - encourage the creation of housing for persons with special needs, including seniors, persons with disabilities, female-headed households, persons with developmental disabilities
- HO 33 - reduce traffic impact fees for multi-family mixed use development, housing for persons with disabilities, an increase in the production of multifamily housing.
- HO 34 - incentive policy to encourage development of a variety of housing types for affordable housing

Applicant Request Summary

Project Name:	Diamond Village Apartments II
Developer:	SNO Foundation
TIF Offset Request :	\$436,632 (subject to change with future TIF updates)
Total Restricted Units:	30
Target Income:	Low Income (less than 80% AMI)
TIF Zone:	Zone B – Diamonds Springs
Supervisory District:	District 3 – Supervisor Brian Veerkamp

Zone B Multi-Family Dwelling: \$15,456 per unit

One-Bedroom Apartments

- 8 at or below 30% AMI (extremely low-income households)
 - Eligible Offset Amount: \$123,648 (100% Offset)

Two-Bedroom Apartments

- 11 at or below 30% AMI (extremely low-income households)
 - Eligible Offset Amount: \$170,016 (100% Offset)
- 5 at or below 80% AMI (low-income households)
 - Eligible Offset Amount: \$57,960 (75% Offset)

Three-Bedroom Apartments

- 4 at or below 30% AMI (extremely low-income households)
 - Eligible Offset Amount: \$61,824 (100% Offset)
- 2 at or below 80% AMI (low-income households)
 - Eligible Offset Amount: \$23,184 (75% Offset)

Manager's Unit

- 1 unit
 - Eligible Offset Amount: \$0 (0% Offset)

TIF Total:	\$479,136
Eligible TIF Offset Amount:	\$436,632
Total TIF Due:	\$42,504

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

Overall, the Committee found that the Project performed strongly across most evaluation criteria. The application was complete, demonstrated solid site control, and reflected a capable and well-organized development team. In addition, the Project showed meaningful potential to benefit income-qualified households and aligns well with the goals identified in the County's Housing Element. The Committee also noted that the Project's approach and anticipated outcomes position it well to contribute to the County's broader housing objectives, particularly in expanding opportunities for very low-, low-, and

moderate-income residents. These strengths collectively underline the Project's readiness and its capacity to deliver positive community impact.

The Committee did identify two (2) areas where the Project was less competitive: the geographic distribution of affordable units within the development, and the availability of services and infrastructure to support future residents. These elements are important for ensuring that affordable units are integrated thoughtfully throughout the Project and that residents will have adequate access to necessary amenities and public services. Strengthening these components would enhance the overall quality and long-term viability of the development, as well as improve its alignment with best practices for inclusive community planning. While these gaps do not overshadow the Project's many strong attributes, addressing them would further support its competitiveness and help ensure a more balanced and well-served living environment for future households.

Committee Recommendation

Based on these considerations, the Committee recommends a TIF Offset totaling \$436,632 (per current TIF Program Fee schedule, but subject to change with each TIF schedule update). This recommendation reflects the Project's eligibility under the Program and supports continued progress toward the County's overall housing objectives.

TIF Offset Program Summary to Date

The next application period for projects with five (5) or more units will open in July 2026. Since the program's inception in 2007, and including the recommendations in this report, the County has awarded \$5,668,743.25 in TIF Offsets, supporting the development of 403 affordable housing units (multifamily and accessory dwelling units) for very low-, low-, and moderate-income households.