

A scenic view of a mountain valley. In the foreground, a green sign with white text reads "El Dorado COUNTY LINE". The sign is mounted on a wooden post. The background shows a lush green valley with a river flowing through it. A stone bridge with three arches spans the river in the distance. The mountains are covered in dense forest.

# Traffic Impact Fee (TIF) Program and Capital Improvement Program (CIP) Workshop

Board of Supervisors September 28, 2021  
Legistar #21-1331

# AGENDA

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Relationship between the Traffic Impact Fee (TIF) Program and the Capital Improvement Program (CIP)

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Background/History of the TIF/TIM Fee Programs

# The TIF (TIM Fee) Program is mandated by the County's General Plan.

## Policy TC-Xb(B)

At least every five years, prepare a TIM Fee Program specifying roadway improvements to be completed within the next 20 years to ensure compliance with all applicable level of service and other standards in this plan.

## Policy TC-Xc

Developer paid traffic impact fees combined with any other available funds shall fully pay for building all necessary road capacity improvements to fully offset and mitigate all direct and cumulative traffic impacts from new development.



**2016 Measure E  
Implementation Statement 3**

All 2004 General Plan Traffic Impact Mitigation Fees for all projects shall be paid at the building permit stage.

**General Plan Implementation Measure TC-B**

Revise and adopt traffic impact fee program(s) for unincorporated areas of the county and adopt additional funding mechanisms necessary to ensure that improvements contained in the fee programs are fully funded and capable of being implemented concurrently with new development as defined by Policy TC-Xf.



# What is the Capital Improvement Program (CIP)?

## Purpose

- Long-range plan for all individual capital improvement projects and funding sources
- Provides strategic direction for capital projects over a current year, 5, 10, and 20 year horizon
- Used as a planning tool

## Process

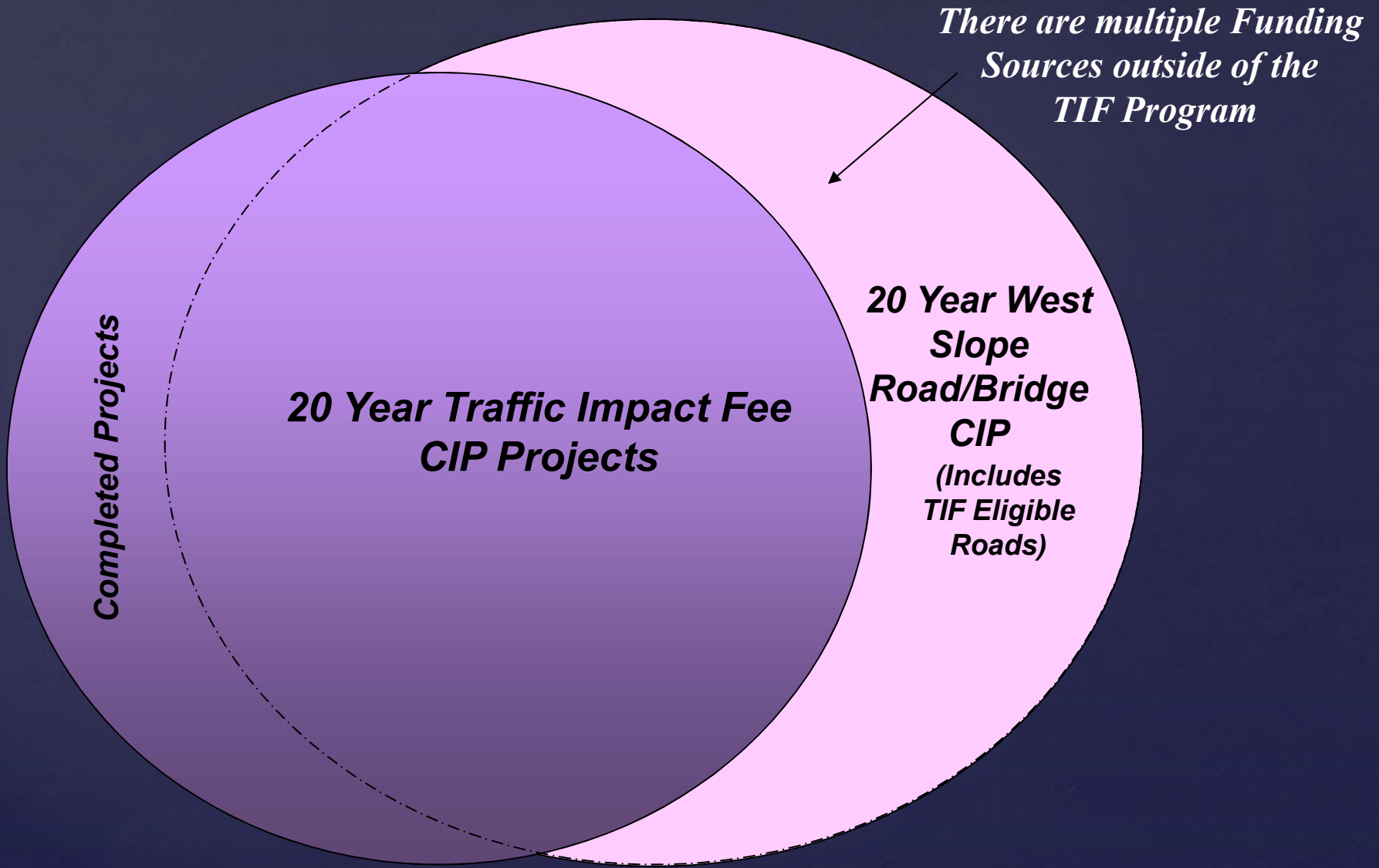
- Updated annually (as required by General Plan Policy TC-Xb)
- Updates include adjustments to: revenue estimates, project scopes, costs and schedules
- Project priorities are revised per Board direction

# What is the Traffic Impact Fee (TIF) Program?

A Fee program is used to fund needed improvements including roadway widening, new roadways, roadway intersection improvements, and transit to accommodate future growth during a defined time period (currently based on 20 years of growth).

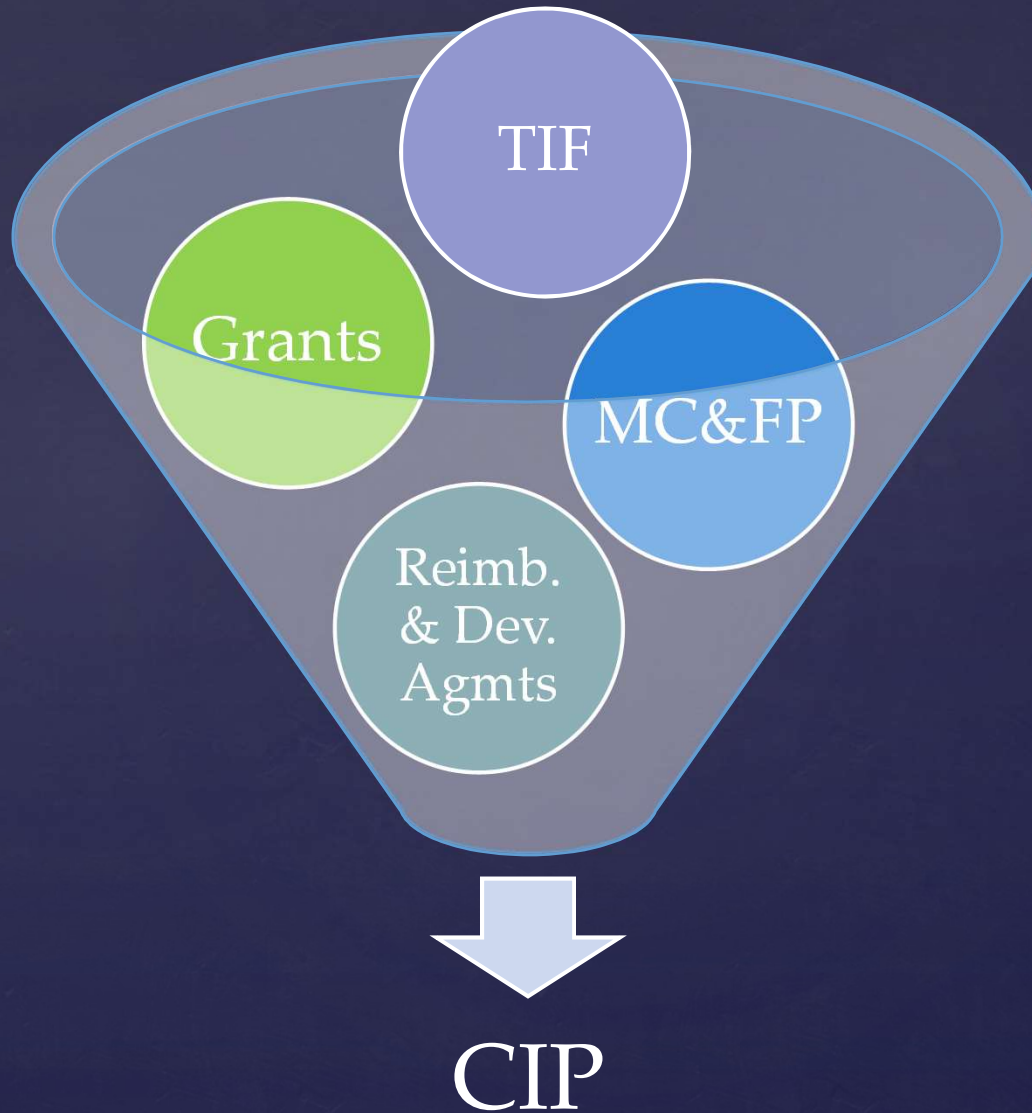
A Fee program is legally required to meet guidelines as established by Assembly Bill 1600 (California Government Code Sections 66000 through 66008).

# CIP and TIF Program Relationship





# CIP Funding Sources

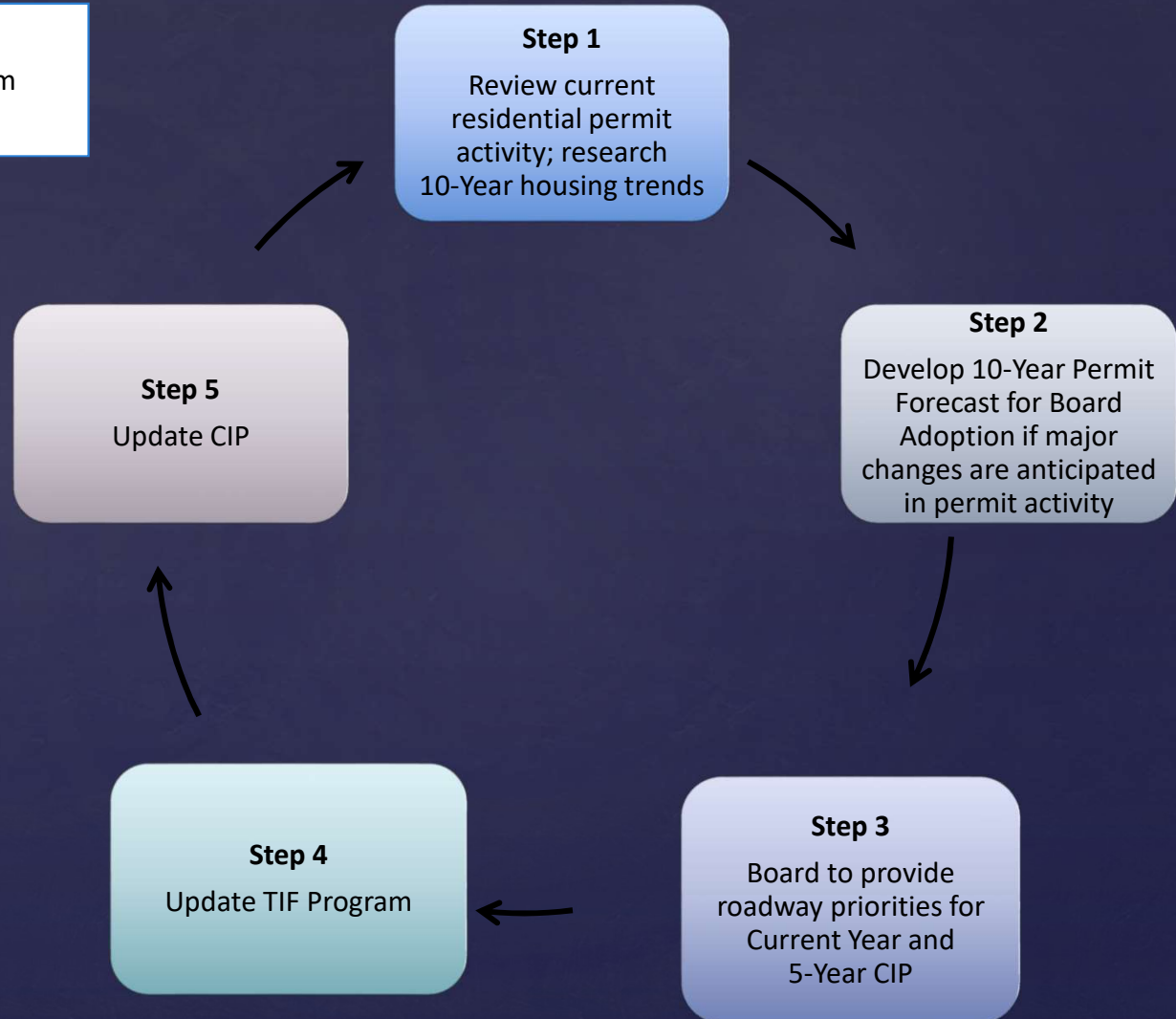


# Annual CIP and TIF Program Update Cycle\*

## Acronyms

CIP - Capital Improvement Program

TIF - Traffic Impact Fee



\* As required by  
General Plan  
Policy TC-Xb  
and  
Implementation  
Measures TC-A  
and TC-B

# Annual CIP and TIF Program Update Tasks

## Review Permit Activity

- Review current permit activity & determine 10 year permit forecast
- On November 14, 2017 the Board approved the 10 year permit forecast and directed staff to only present the item to the Board if major changes are expected in permit activity.

## Project Program Revenues

- Transportation staff in concert with Fiscal and Finance staff determine the project revenue from the TIF Program.
- This amount is used in the development of the CIP for the next fiscal year.

## Board Workshop

- Board provides direction to Transportation staff for the next fiscal year and the five-year CIP.
- Five-year CIP is required by EDC General Plan Implementation Measure TC-A and CA Govt. Code 65403.



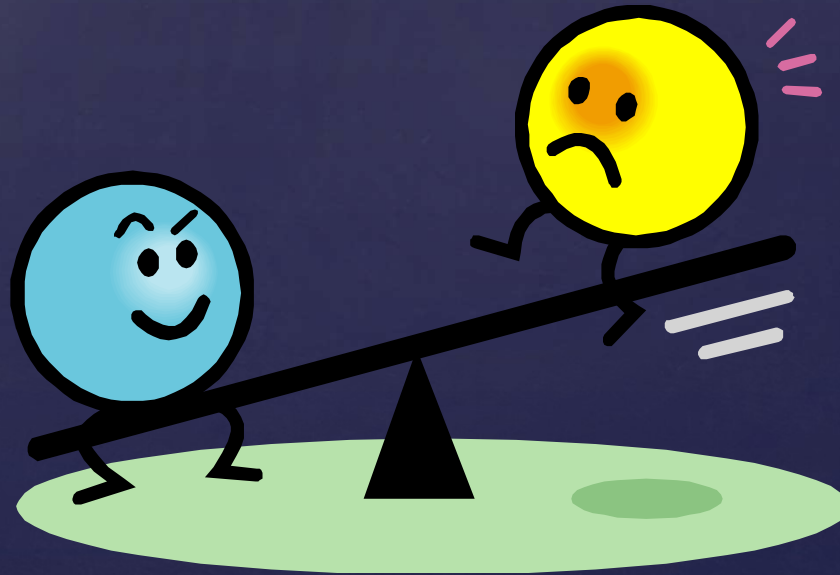
If we had a crystal ball,  
forecasting would be easy

There are  
consequences in  
forecasting too high  
or too low.



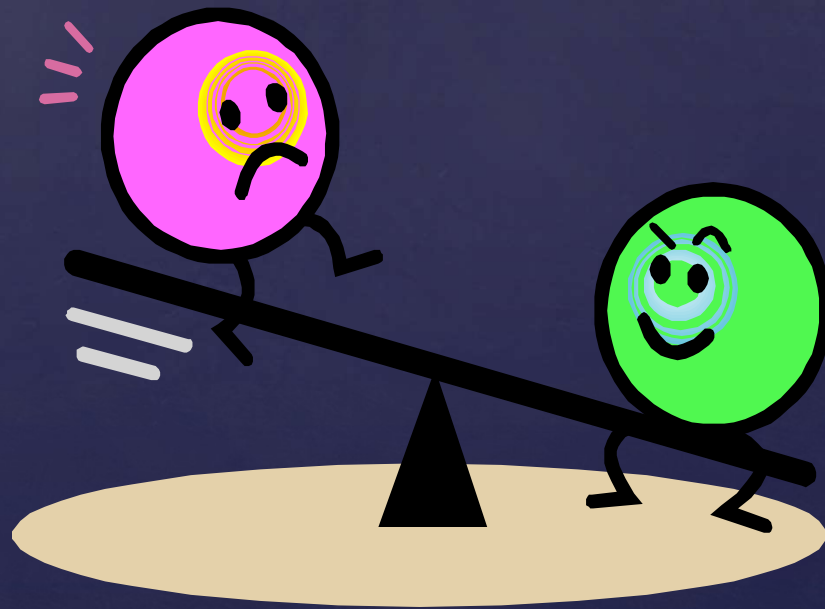
# Forecasting too high:

- & Lack of revenue to complete programmed projects
- & Adding new CIP projects may result in inability to repay current obligations



# Forecasting too low:

- ⌘ Development projects are conditioned to build the improvements up front, which could cause bottom-line problems for the development projects
- ⌘ The County may lose the opportunity of including roadway projects which may be needed





# Annual CIP and TIF Program Update Tasks

## Program Updates

- Update the TIF Program to reflect the direction from the Board.
- Adjust the CIP projects for cost and inflation (per the Traffic Impact Fee Ordinance).

## General Plan Findings

- CIP requires a General Plan consistency finding from the County's Planning Agency (CA Govt. Code 65403).

CIP and TIF Program Updates adopted by the Board of Supervisors.

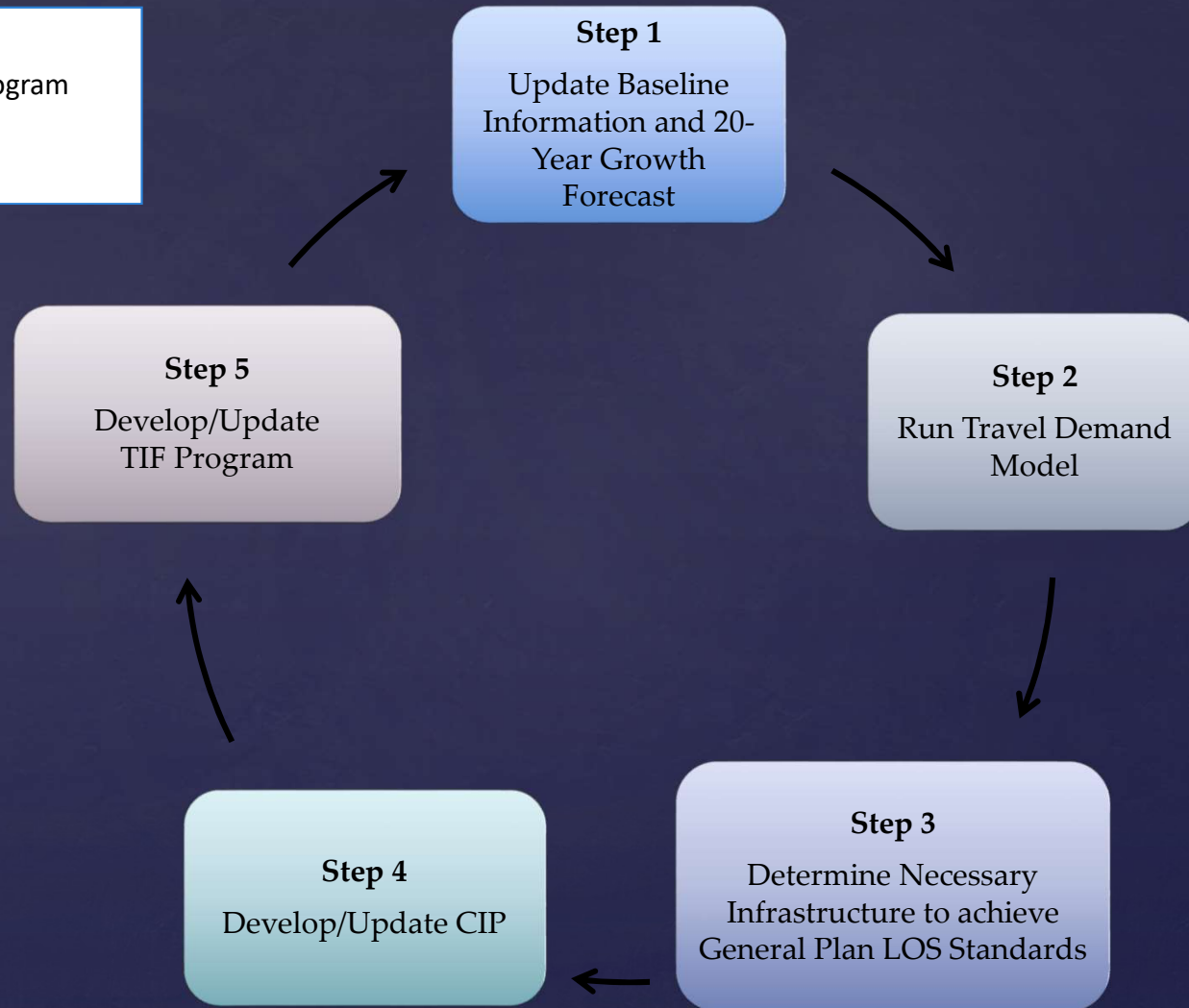
# Major 5-Year CIP and TIF Program Cycle\*

## Acronyms

CIP - Capital Improvement Program

LOS - Level of Service

TIF - Traffic Impact Fee



\*As required by  
General Plan  
Policy TC-Xb  
and  
Implementation  
Measure TC-B

# Steps for a Major Update

## Update Land Use Projections

- Hire an Economic Planning consultant to work with Transportation and Long Range Planning to determine 20-year land use projections.

## Board Approval

- Board of Supervisors approves new growth projections.
- Growth projections used for TIF Update, Housing Element Update, General Plan Update review.

## Public Outreach

- Workshops and public meetings held to gather public input.
- Hire an outreach consultant to work with Transportation and Long Range Planning to facilitate the outreach.



# Steps for a Major Update

## Update the Travel Demand Model

- Hire a Transportation Consultant and Civil Engineering Consultant to work with Transportation staff,
- TDM Update to reflect the new land use projections,
- Perform the level of service analysis,
- Determine improvements required by the updated projections,
- Run the select link analysis, and
- Update the cost estimates for improvements.

## Update the Nexus Study

- Hire an Economic Planning consultant to work with Transportation and Administration and Finance to prepare the update

## Board Approves Major Update

**El Dorado Hills/Salmon Falls Road Impact Fee (RIF)**

Adopted in August 1984 via Resolution #274-84

**West Slope Countywide TIM Fee**

Adopted in July 1991 via Resolution #258-91

DOT has been implementing various traffic impact fee programs since the 1980's.

**State Highway TIM Fee**

Adopted in August 1996 via Resolution #202-96

**Interim Highway 50 Corridor Variable TIM Fee**

Adopted in October 2002 via Resolution #247-2002

The Traffic Impact Fee (TIF) program, formerly the TIM Fee program, has been created in compliance with California Government Code Sections 66000-66008, and with requirements put in place via local initiatives

The TIM Fee program was codified by El Dorado County Ordinance No. 5045

The Annual Update TIF Program fee schedules are adopted via Resolution by the Board of Supervisors

# Highlights of the TIF

Residential projects pay a higher share of TIF resulting in lower cost for non-residential development

Economic & Planning Systems (EPS) reported that substantial portions (62%) of the non-residential uses are directly attributable to growth in the county's population or residential growth

Those non-residential trips and the new Vehicle Miles Traveled factor are applied to the residential growth which results in the new residential growth allocated approximately 93% of the total costs, and the remaining 7% allocated to non-residential growth

The original non-residential allocation has been essentially applied to the TIM Fee programs since 2005, the additional VMT factor was included in the 2020 Major Update

# Highlights of the TIF

## Additional Policy Adjustments to the TIF in 2019/2020

Additional categories of TIF for single family houses dependent upon size. (Technical Memo 1B, first presented at October 8, 2019 BOS meeting, and revisited at August 27, 2020 BOS meeting)

On October 8, 2019, the BOS decided to keep the Age-Restricted Category (Tech Memo 1C)

On November 11, 2019, the BOS was given a presentation by BAE Urban Economics on the Countywide Housing and Employment Projections and on March 17, 2020 the BOS approved the projections.

On April 21, 2020, the BOS directed staff to classify cannabis production as an “industrial/warehouse” use (Tech Memo 3A); continue the current category for wineries (Tech Memo 3B)

On November 17, 2020, the BOS selected the three zone fee program alternative



# Highlights of the TIF

On November 17, 2020 the BOS directed as follows:

The County assumes approximately 15% of the TIF costs will be paid through grant funding, to comply with the General Plan requirement that the Traffic Impact Fee Program be fully funded, without additional costs to residential and non-residential developers.

To promote commercial development, the County allocates approximately \$2.6 million in grant funding to offset the costs of non-residential development. Additionally, the County allocates approximately \$27 million in grant funding to offset the costs of residential development in Zones A & B.

# TIF Funding Detail

**Table 19: TIF Program Budget Summary**

		Share
TIF CIP Total Costs (Table 10)	\$348,266,000	100%
Non-TIF Funding (except state & federal funding)		
Prior Year (Table 10)	\$11,082,000	3%
Future Local Funding (Table 10)	15,144,000	4%
Fund Balances (6/30/2020) (Table 14)	<u>48,425,000</u>	<u>14%</u>
Subtotal - Non-TIF Funding (except state & federal funding)	\$ 74,651,000	21%
State & Federal Funding <sup>1</sup>		
External Trip Share (Table 12)	\$ 3,260,229	1%
Affordable Housing TIF <sup>1</sup> (Table 18)	20,000,000	6%
Offsets		
Residential Offset - Hwy. 50 (Table 15)	\$ 7,320,913	2%
Residential Offset - Local Roads (Table 16)	<u>19,520,647</u>	<u>6%</u>
Subtotal - Residential Offset	<u>\$26,841,560</u>	<u>8%</u>
Nonresidential Offset - Hwy. 50 (Table 15)	868,213	0%
Nonresidential Offset - Local Roads (Table 1)	<u>1,802,210</u>	<u>1%</u>
Subtotal - Nonresidential Offset	<u>\$ 2,670,423</u>	<u>1%</u>
Subtotal Offsets	<u>\$29,511,983</u>	<u>8%</u>
Subtotal - State & Federal Funding	<u>\$ 52,772,212</u>	<u>15%</u>
Total TIF Revenue Requirement <sup>1</sup>	\$220,842,788	63%

<sup>1</sup> "Affordable housing TIF" funding is used to fully fund the TIF on affordable housing based on a 20-year estimate of future affordable housing units. This funding does not reduce the total TIF revenue requirement because it does not reduce project costs but simply replaces TIF revenue that would be due from affordable housing projects. Therefore, the total revenue requirement shown in this table is lower than the total revenue requirement shown in Table 17. Table 17 includes affordable housing funding as part of the revenue requirement whereas in this table affordable housing funding is deducted (as part of state and federal funding) before calculating the TIF revenue requirement.

Source: Tables 10, 12, 14, 15, 16, and 18.

# Comparison of TIF Rates With Neighboring Jurisdictions (July 2021)

	Annual Update - July 2021 (Effective September 2021) Three Zone Configuration <sup>7</sup>			City of Folsom Road Fees (North of US 50) <sup>2</sup>	City of Folsom Road Fees (South of US 50) <sup>3</sup>	City of Rancho Cordova <sup>4</sup> (Area 2)	Placer County Traffic Fee <sup>5</sup> (Granite Bay)	Sacramento County <sup>6</sup>	
	Zone A (Rural)	Zone B (Cameron Park & Diamond Springs/El Dorado)	Zone C (EDH)					District 6 (West near Garden Hwy)	District 3 (Near El Dorado County Line - s/o US Hwy 50)
General Commercial (per sq. ft.)	\$1.69	\$7.34	\$10.41	\$12.27	\$21.48	\$13.09	\$12.20	\$10.91	\$24.61
Office (per sq. ft.)	\$1.39	\$6.05	\$8.58	\$5.33	\$15.28	\$10.07	\$32.05	\$9.61	\$21.67
Industrial (per sq. ft.)	\$0.55	\$2.41	\$3.43	\$5.33	\$15.28	\$5.12	\$7.30	\$6.00	\$13.55
Single Family Dwelling Unit (Median)	\$9,697	\$24,343	\$30,333	\$8,168	\$14,845	\$17,870	\$8,017	\$10,011	\$22,582
Multi-Family Dwelling Unit	\$5,528	\$13,875	\$17,289	\$5,717	\$12,146	\$12,509	\$4,970	\$5,706	\$12,872

<sup>1</sup> 2020 Major Update (Adopted 12/8/20 - Effective Date 2/8/21)

<sup>2</sup> City of Folsom Road Fees (<https://www.folsom.ca.us/government/community-development/fees-planning-permit-plan-check-impact>) - Effective through June 30, 2021

<sup>3</sup> City of Folsom - Folsom Plan Area Specific Plan Infrastructure Fees - On & Off Site Roadways (<https://www.folsom.ca.us/government/community-development/fees-planning-permit-plan-check-impact>) - Effective through December 31, 2021

<sup>4</sup> City of Rancho Cordova - as of January 1, 2021; Area 1 is In-fill (Gen. Comm. - \$10.16 per sf, Office - \$9.84 per sf, Industrial - \$5.12 per sf, Single Family DU - \$10,816), Area 2 is New Development (<https://www.cityofranhocordova.org/government/finance/developer-impact-fee-reports>)

<sup>5</sup> Placer County Countywide Traffic Fee Program Schedule, July 1, 2021; Granite Bay has the highest fees; Foresthill (Non-residential) is the lowest (Gen. Comm. - \$4.27 per sf, Office - \$11.21 per sf, Industrial - \$2.55 per sf). Values are converted to per square foot value. (<https://www.placer.ca.gov/1741/Traffic-Impact-Fee-Program>)

<sup>6</sup> Sacramento County Development Fees - Sacramento County Transportation Development Fee Program (SCTDF) (<https://sacdot.sacounty.net/Pages/DevelopmentFees.aspx>) - Effective April 19, 2021

<sup>7</sup> Annual Traffic Impact Fee Update - July 2021 - would go into effect in September 2021



# Recent and Future CIP/TIF Actions

The last Major Update to the TIF Program was adopted December 2020

The last Update to the CIP was adopted by the BOS on June 8, 2021

An Annual TIF update for costs was done in July 2021

Minor adjustments will be proposed for the CIP during Fall 2021

The next Annual TIF update for costs is planned for Spring 2022

The next CIP workshop is planned for Spring 2022

# Questions?

El Dorado  
COUNTY LINE



# Next Steps

- ‡ Identify subjects for next workshop on the CIP and TIF Program
- ‡ Board to provide direction to staff on options for moving forward
- ‡ Staff return for second workshop