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DATE: January 5, 2024

TO: Tiffany Schmid, Chief Administration Officer

FROM: Bret Sampson, Planning Manager
Long Range Planning, Housing Unit

Cc: Karen L. Garner, Director, Planning and Building Department

RE: TIF Fee Offset for Affordable Housing Units – Board Policy B-14
Application Review Recommendations

On December 11, 2007, the Board of Supervisors adopted Board Policy B-14 (Item 56, Legistar File 07-1822). The TIM Fee Program includes a provision to set aside \$1 million of federal and state transportation revenues annually to be used to offset traffic impact fees for the development of affordable housing. Affordable units must be designed to serve very low- to moderate-income households in the unincorporated area of El Dorado County to be eligible under specific guidelines of the TIM Fee Offset Program. The TIM Fee Offset Program allows for a reduction of traffic impact fees and is not a cash subsidy.

Applications for projects with five or more units are accepted each year in January and July. Developers of affordable new construction projects with five or more units seeking the TIF Fee Offset have an opportunity to submit applications subject to review by the TIF Fee Offset Review Committee (Committee). The Committee recommendation is submitted to the Chief Administrative Officer (CAO) and referred to the Board for approval (Attachment A).

The application period for Round 32 ended July 1, 2023. One application was submitted on behalf of the affordable housing development: the Country Club Apartments consisting of 65 units.

In an effort to fulfill both the TIF Fee Offset Program and Housing Element implementation program, the Committee, comprised of representatives from Environmental Management, the Department of Transportation and the Planning and Building Department, consider requests from developers to identify specific projects that will provide a significant community benefit by providing housing that is affordable to very-low-, low- or moderate-income households. A recommendation for approval of TIF Fee Offset by the Committee does not imply approval of the project. Developers must submit projects for approval and permits through El Dorado

County's Planning and Building Department Planning Division and are subject to provisions of the Zoning Ordinance and General Plan.

COUNTRY CLUB APARTMENTS - The developer, Pacific Southwest Community Development Corporation, is proposing to develop a 192-unit affordable rental housing development located on Country Club Drive, parcel number 082-430-005 in Cameron Park. The project proposes the phasing of nine, three-story buildings on a site of approximately four acres in size and appropriately zoned Multi-unit Residential.

Country Club Apartments is proposing 100 percent of the units as affordable to extremely low-, very low-, and low-income households with rents affordable to those income groups for a minimum of 20 years. The first phase of the project includes 84 (83 income-restricted rentals and one manager's unit) units and is the subject of the requested TIF fee offset. Proposed funding for this project will come from private financing.

The total TIF Fees for the project would be \$1,426,404 (\$16,981 per unit – Zone B multifamily). The recommended offset of approximately 1,226,877.25 would equal an offset of 100 percent of TIF Fees for 31 units affordable at or below 50 percent AMI and 75 percent for 43 units affordable at 60 percent AMI. This offset exceeds the amount requested by the applicant to account for fee increases. The applicant has requested the fee offset to ensure the project is financially feasible; thereby ensuring the probability the units will be built.

The Review Committee requests that the Chief Administrative Officer recommend Board approval of the Offset for the project at the requested amount of \$1,226,877.25 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, in addition to the Board's Strategic Plan Economic Development and Healthy Communities components. These goals support residential development in Community Regions, infill development, particularly developments that encourage multi-modal transportation, and increase the supply of housing affordable to very low-, low- and moderate-income households and workforce housing.

The following factors are submitted to support the Committee's recommendation of the aforementioned TIF Fee Offset: a) The County is committed to developing incentive programs and partnerships to encourage private development of affordable housing (Policy HO-1.18, Measure HO 2013-14); b) The projects support the County's efforts to achieve infill development objectives (General Plan Policy 5.2.1.6: Priority to Infill development, and HO-2013-14: Development of Infill Incentives); and, c) The proximity of the Projects to schools, job centers and retail allows easy access to these amenities by walking or bicycle. The project is in close proximity to public transit, elementary schools, and commercial and retail centers that could provide additional job opportunities.

This project is located between Country Club Dr. and Highway 50 just east of the Cambridge Road interchange. Camerado Springs Middle School is a little more than a half mile away and Blue Oak Elementary School is three-quarters of a mile away from the proposed site. El Dorado Transit's bus Route 40 loops around Cameron Park and Shingle Springs every hour from 6:30 AM to 7:20 PM Monday through Friday, providing transfers to the 50 Express and Sacramento Commuter at Cambridge Road Park & Ride. The Cambridge Road Park & Ride, which is also the closest bus stop, is a third of a mile from the project site. The intersection of Highway 50 and Cambridge Road includes a variety of retail and service businesses. In 2021, the Merrychase Drive/Country Club Drive bicycle and pedestrian improvement project was completed in the area near the proposed County Club Apartment site. This project constructed approximately 2,100 feet of new sidewalk, 2.1 miles of Class II bike lanes and Class III bike routes, two new crosswalks, eight new solar flashing beacons, and new/upgraded curbs, ramps, and gutters.

This site is highly suitable for affordable housing given the proximity to schools, services and transportation options.

The recommendation for approval is contingent upon the execution and recordation of a TIF Fee Offset Affordable Housing Agreement restricting the rental of the units to the appropriate income level for no less than 20 years.

Should the total recommended TIF Fee Offsets be awarded, approximately \$10 million in potential offsets would remain in the TIF 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 million allocation for the next year. The TIF Fee Offset Program allows for a reduction of traffic impact fees through federal and State transportation revenues and is not a cash subsidy. The next application round for projects with five or more units is in January 2024.

Since implementation of the TIF Fee Offset Program in December 2007, and with approval of the recommendations herein, \$6,670,110.25 in TIF Fee Offsets have been awarded to support the construction of 503 affordable housing units reserved for very low- to moderate-income households in El Dorado County. A Program Summary of awards from January 2008 through July 2023 is provided as Attachment A to this item.