



EL DORADO COUNTY
 DEPARTMENT OF HUMAN SERVICES
 El Dorado County Housing Authority
 Doug Nowka, Executive Director

C.A.O.
 EL DORADO COUNTY
 2008 AUG 20 PM 2:06

To: Gayle Erbe-Hamlin
 Chief Administrative Officer
 From: Joyce Aldrich *Joyce*
 Program Manager, Human Services
 Date: August 20, 2008
 Re: TIM Fee Offset 2nd Round Application Review Recommendations

As a continued effort to fulfill both the TIM Fee Offset program and Housing Element implementation, the TIM Fee Offset Committee convened for the 2nd round of applications due July 31, 2008. The Committee consists of representative from Housing, Development Services, Environmental Management and Department of Transportation. Currently, there is approximately \$1.99 million available for offset. Four applications were received this round for a total request of \$329,920 in TIM Fee offsets. The Board of Supervisors approval of a reduction in TIM Fees effective September 27, 2008 and the application requests will be adjusted to the new fee schedule.

During this round, four applications were submitted requesting a TIM Fee Offset. Three are second dwelling units on owner occupied parcels intended as an affordable rental for low- to moderate income tenants located in Sly Park (Zone 6), Pleasant Valley (Zone 3), and Camino (Zone 5). The fourth application is for a multi-family residential low- to moderate income affordable infill development located on Country Club Drive in Cameron Park (Zone 2). The Committee reviewed and discussed the applications, rating each on criteria established by the Board policy. The following is a summary of the requests received and corresponding advisory committee recommendations:

Applicant One:

Project Name:	Haines Granny Flat (Supervisory District III)
Developer:	Doug Haines
Total Units:	One second unit conversion over existing detached garage
Target Income Group Units:	1 unit
TIG:	100% low income household (<80% MFI)
TIM Fee Offset Request:	\$ 27,180 (Zone 3)

Recommendation:

TIM Fee Offset: **\$ 27,180** (amount of current TIM Fee assessment)

- Conditions:
1. Execute Rent Limitation restriction documents
 2. Execute Recapture Agreement for <20 year affordability
 3. Execute Planning Services Notice of Restriction

Applicant Two:

Project Name:	Bishop Second Dwelling Unit (Supervisory District III)
Developer:	Mark Bishop
Total Units:	One 1200 sq. ft. second unit - detached
Target Income Group Units:	1 unit
TIG:	100% low income/senior household (<80% MFI)
TIM Fee Offset Request:	\$ 10,140 (Zone 5)

Recommendation:

- TIM Fee Offset: **\$ 10,140** (amount of current TIM Fee assessment)
- Conditions:
1. Execute Rent Limitation restriction documents
 2. Execute Recapture Agreement for <20 year affordability
 3. Execute Planning Services Notice of Restriction

Applicant Three:

Project Name:	Broyles Granny Flat (Supervisory District II)
Developer:	Bill Broyles
Total Units:	One 1176 sq. ft. second unit - detached
Target Income Group Units:	1 unit
TIG:	100% low income/senior household (<800% MFI)
TIM Fee Offset Request:	\$ 17,600 (Zone 6)

Recommendation:

- TIM Fee Offset: **\$ 17,600** (amount of current TIM Fee assessment)
- Conditions:
1. Execute Rent Limitation restriction documents
 2. Execute Recapture Agreement for <20 year affordability
 3. Execute Planning Services Notice of Restriction

Applicant Four:

Project Name:	Country Club Multi-Family (Supervisory District I)
Developer:	Merlin and Ann Leu, Owners/Developers
Total Units:	16 units
Target Income Group Units:	16 rental units (6 low income, 10 moderate income)
TIG:	100% - 37% low income (<80% MFI) and 63% moderate income households (<120% MFI)
TIM Fee Offset Request:	\$275,000 (\$17,187.50 per qualified unit) (Zone 2)

Recommendation:

TIM Fee Offset: **\$275,000 (\$17,187.50 per qualified unit) – 100% of request**

Comments: The amount of TIM Fee Offset for this project calculated at a 75% reduction for 6 low income units and a 25% reduction for 10 moderate-income units would be \$190,260. The committee supports the offset request for an addition incentive of \$84,740 in TIM Fee offsets for a total of \$275,000.

Under Board Policy B-14, the Country Club project exceeds the criteria for 5 or more units where at least 20% of the units will be affordable to very low-, low-, or moderate-income households for a minimum of 20 years. This project proposes 100% of the units affordable to target income groups for a period of 20 years. The total TIM Fees for the project would be \$434,880 (\$27,180 per unit – zone 2 multi family). The recommended offset of \$275,000 would equal an overall offset of 63% of total TIM Fees and has been requested by the applicant to ensure the project is financially feasible; thereby ensuring the probability the units will get built.

Although Board Policy only allows for a reduction in fees of up to \$190,260, staff recommends that the Board considers funding the project at the requested amount of \$275,000, 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 of compact urban form in Community Regions, infill development, particularly developments that encourage non-motorized types of transportation and increasing the supply of housing affordable to lower income households.

The project is located in Cameron Park on Country Club Drive in close proximity to Cameron Park Community Center currently under construction. The committee submits the following factors to support the recommendation:

- a. The project would provide target density development in a community region – 12 units/acre. (Policy HO-1.5, Measure HO-7)
- b. The County is committed to developing incentive programs and partnerships to encourage private development of affordable housing (Policy HO-1.18, Measure H-4) and the project developers have proven capacity in constructing and managing below market rentals.
- c. 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)
- d. The committee agrees with the developer's statement that the additional TIM Fee offset is "justified because of the proximity of this project to schools, parks, library, retail and the Community Center, allowing easy access to these amenities by walking or bicycle." The project is in close proximity to walking and biking paths; close proximity to public transit; close proximity to community facilities (Community Center, County Library), close to medical services (RapidCare and

Marshall Medical); close proximity to present and future commercial and retail centers.

- Conditions:
1. Execute Developer's Agreement deed restriction documents.
 2. Execute Recapture Agreement should Targeted Income Group (TIG) exceed County Median Family Income (MFI) limits for household size.
 3. Recommend County to lock-in project TIM Fee for 2 years until building permit and fees are due and payable to county, allowing for extensions outlined in BOS Policy B-14.

As outlined in the Procedure Manual, upon review and approval of the committee recommendations, the CAO will then provide a recommendation to the Board of supervisors that includes a total TIM fee offset funding allocation for each residential project application for which offsets are recommended. According to the program procedures, the Board of Supervisors will award the TIM Fee Offset in September for the 2nd round. If this could be on the September 23rd or September 30th BOS calendar it would be beneficial to all applicants.

Just as information, the next application round opens December 15, 2008. Should the full amount of recommended offsets be awarded this round, there would be approximately \$1.66 million remaining, plus an additional \$1.0 million offset allocation for 2009, totaling \$2.66 million in available TIM Fee offsets for developments with affordable housing.

Please call me at ext. 6276 if you have any questions or would like additional information. Thank you so much for your time.

Attachments: Application from Doug Haines
Application from Mark Bishop
Application from Bill Broyles
Application from Merlin & Ann Leu