



COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

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| Subject: TRAFFIC IMPACT FEE DEFERRAL FOR OWNER OCCUPIED SINGLE FAMILY HOME | Policy Number | Page Number: Page 1 of 3 |
| | Date Adopted: | Revised Date: |

BACKGROUND:

This policy will be applied to new owner occupied residential development in El Dorado County. Owner occupied residential unit shall be a new single family home constructed on property owned by the applicant that will not be for sale upon completion of the home and will be occupied by the applicant. It is the intent of this policy that it be applicable to an individual lot owned by an applicant and not lots sold as part of a subdivision sale/build program. This policy is in addition to Policy B-3 TRAFFIC IMPACT FEE DEFERRAL created to encourage non-residential development in El Dorado County by allowing the traffic impact mitigation (TIM) fees to be deferred. By granting the short term deferral of TIM fees to allow construction to begin, we may be able to encourage owners who have put their construction plans on hold due to the high cost of TIM fees or waiting on the possibility that TIM fees may be lowered. This policy would be reviewed annually to measure its success and the effects on the county. Construction on residential projects provide benefits in the following four categories:

- *Creation of new jobs* - Local jobs for county residents would create countywide benefits such as an increase in the standard of living for county residents employed in the new industries, increased payroll taxes generated, and a potential overall decrease in reliance on other county services such as those provided by the community services and social services departments.
- *Infill projects* – Many of the projects will be on existing lots where public facilities and infrastructure such as county roads, sewer and water, power, schools and emergency services are already in place.
- *Increased Property Tax Revenue* - Property tax revenues from residential development increases as the property is improved. These increased revenues help the county finance other services it is required to provide.



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- *Increased Sales Tax Revenue* – Increased sales tax revenues generated from new residents that locate in the county could help the county finance other services it is required to provide, including roadway safety improvements, and other road maintenance work.

POLICY:

1. To encourage the development of owner-occupied residential units in the county, the TIM fee shall be deferred for new owner-occupied residential units located on the county's west slope if the applicant submits a request for deferral and if it meets the following criteria.
 - A. Application for deferral shall be made and all documentation completed before issuance of a building permit
 - B. New development of owner-occupied residential units on which the TIM fee equals \$10,000 or more is eligible to defer the fee. An account receivable shall be created on the county's books, with the TIM fee fund carrying the notes receivable. The owner will be charged interest on the deferred fee. Future payment of the fee will be documented by a promissory note secured by a first or second trust deed (subordinated only to a first deed of trust given to a bank or other lender to secure financing for construction or permanent financing therefore) on the land on which the development is to take place (or other form of security acceptable to County Counsel), and such other written documentation as may be deemed necessary by County Counsel, including, but not limited to, a declaration that the owner will occupy the residence. To be eligible, the combined loan to value ratio of the loan subject to the first trust deed and the amount of the deferred TIM Fees secured by the second deed of trust shall not exceed 80% (based upon the first deed of trust holder's appraisal, or



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in the event the financing is a construction loan, the estimate of value of the property in the finished condition), If the initial calculation is done based on a construction loan, the loan to value ration shall be recalculated at the time of permanent financing, based upon the permanent lender's appraisal. If the loan to value ratio of the combined permanent financing and the deferred TIM Fees does not exceed 80%, the County will subordinate its deed of trust to that of the permanent lender's replacement first deed of trust. A title company is to be used to process the paperwork. The owner will be required to pay for the title company's cost along with the document recording fee. Interest charged will be the 11th District Cost of Funds plus one point.

The fee repayment obligation shall be all due and payable upon any sale or transfer of the property, or upon the applicant's ceasing to occupy the property.

C. Repayment of the fee is over a five year period. A payment of 20% of the TIM Fee is required once the owner has obtained permanent financing, or prior to the final sign off (certificate of occupancy) on the building permit, whichever is earlier. The remainder is to be paid monthly after the initial down payment, with the final payment due at the end of the five-year period with no prepayment penalty, if he/she wishes to do so.

Requests for TIM fee deferrals are to be directed to the Director of Transportation.

This policy will expire December 31, 2012 unless extended by the Board of Supervisors.

Primary Department: Department of Transportation



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