

2020 Major Update TIM Fee Program – Workshop #4

El Dorado
COUNTY LINE

Board of Supervisors February 11, 2020
Legistar #20-0126

June 11, 2018

Agenda

1. Background

2. Workshop #4 Technical Topics

3. Next Steps

1. Background



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- A TIM Fee is a fee levied by a local government or public agency to ensure that new development projects pay for all or their portion of the costs of providing public infrastructure or services attributable to new development.
- TIM Fees are one of the funding sources for Capital Improvement Program Projects.

1. Background

May 14, 2019 (Item 41) – Board directed staff to move forward with the Major Update to the TIM Fee Program

September 17, 2019 (Item 32) – Board directed Transportation to accelerate the 2020 Major Update to the TIM Fee Program

October 8, 2019 (Item 26) – Board Workshop #1 (VMT Based EDU Rates, Fee Rates by Size, Age-Restricted Fee Category)

1. Background

November 19, 2019 (Item 35) – Board Workshop #2 – Growth Rate

December 17, 2019 (Item 53) – Board Workshop #3 – Daily vs Peak Hour Trip Rates, TIM Fee Zone Structure

Today - February 11, 2020 – Board Workshop #4 – Grant Funding and Local Serving Share of Nonresidential Employment

2. Grant Funding

The County has assumed approximately 25% of the TIM Fee costs will be paid through grant funding, to comply with the General Plan requirement that the TIM Fee program be fully funded, without additional costs to residential and non-residential developers.

To promote commercial development, the County allocates more than \$25 million in grant funding to offset the costs of non-residential development. For example, if this was not applied to general commercial development, the costs would increase from \$8.70/sq. foot to \$14.98/sq. foot in Zone 8 (El Dorado Hills).

2. Grant Funding

Grant Funding has been used for the following programs:

- 1) Affordable Housing Offset,
- 2) External Trips, and
- 3) Non-Residential Offset

The analysis indicates there is sufficient grant funding to cover the cost of the affordable housing offset and the external to external trips. The non-residential offset will need a reduction in the grant funding. Two alternatives were proposed in 2019 and are offered for the Board's consideration

2. Grant Funding

Table 20: Federal, State & Local Grant Funding Summary

	Amount	Share
Allocation of Grant Funding		
Total Federal, State & Local Grant Funding (Table 12) ¹	\$ 187,530,000	100%
TIM Fee Program Allocation		
External Trip Share (Table 11)	\$ 100,200,000	53%
Affordable Housing Subsidy ²	17,700,000	9%
Non-Residential Offset		
Hwy. 50 TIM Fee (Table 14)	\$ 10,890,000	6%
Local TIM Fee (Table 15)	14,540,000	8%
Subtotal	\$ 25,430,000	14%
Total TIM Fee Program Allocation	143,330,000	76%
Net Available Grant Funding After TIM Fee CIP Allocation	\$ 44,200,000	24%
Grant Funding Share of TIM Fee Program Costs		
Total TIM Fee Program Costs (Table 9)	\$ 457,760,000	
Allocation of Federal, State & Local Grant Funding	143,330,000	
Grant Funding Share of TIM Fee Program Costs	31%	

¹ Excludes grant funding sources that are restricted to uses that do not overlap with TIM Fee Program projects.

² Affordable housing subsidy used to fully offset TIM Fees on affordable housing and is based on 20-year estimate of future affordable housing units.

Comparison of TIM Fee Rates With Neighboring Jurisdictions (July 2019)

	El Dorado County TIM Fee Zone 8 (EDH) ¹	El Dorado County TIM Fee Zones 2 & 3 (Cameron Park & Diamond Springs/El Dorado)	City of Folsom Road Fees (North of US 50) ²	City of Folsom Road Fees (South of US 50) ³	City of Rancho Cordova ⁴ (Area 2)	Placer County Traffic Fee ⁵ (Granite Bay)	Interim Fee Alt. 1 ⁶		Interim Fee Alt. 2 ⁷	
							Zone 2 & 3 (Cameron Park & Diamond Springs/El Dorado)	Zone 8 (EDH)	Zone 2 & 3 (Cameron Park & Diamond Springs/El Dorado)	Zone 8 (EDH)
General Commercial (per sq. ft.)	\$8.66	\$6.15	\$12.03	\$17.88	\$12.32	\$11.30	\$16.19	\$15.26	\$12.95	\$12.21
Office (per sq. ft.)	\$5.60	\$3.97	\$5.23	\$12.72	\$9.43	\$29.69	\$10.48	\$9.88	\$8.38	\$7.90
Industrial (per sq. ft.)	\$3.91	\$2.77	\$5.23	\$12.72	\$4.80	\$6.76	\$7.30	\$6.89	\$5.84	\$5.51
Single Family Dwelling Unit	\$29,293	\$20,769	\$8,009	\$12,360	\$16,742	\$7,426	\$31,740	\$29,927	\$31,740	\$29,927
Multi-Family Dwelling Unit	\$18,162	\$12,877	\$5,606	\$10,113	\$11,719	\$4,604	\$19,679	\$18,555	\$19,679	\$18,555

¹ 2019 Annual Update – Effective Date 7/15/19; Zone 8 (EDH) has the highest fees, Zone 1 (East County) is the lowest (General Commercial - \$1.37 per sf, Office - \$0.89 per sf, Industrial - \$0.62 per sf, Single Family DU - \$4,651)

² City of Folsom Road Fees (https://www.folsom.ca.us/community/engineering/forms_n_resources.asp)

³ City of Folsom - Folsom Plan Area Specific Plan Infrastructure Fees - On & Off Site Roadways (https://www.folsom.ca.us/community/engineering/forms_n_resources.asp)

⁴ City of Rancho Cordova – Updated Fees January 1, 2018; Area 1 is In-fill (Gen. Comm. - \$9.52 per sf, Office - \$9.32 per sf, Industrial - \$4.80 per sf, Single Family DU - \$10,134), Area 2 is New Development

⁵ Placer County Countywide Traffic Fee Program Schedule, July 1, 2018; Granite Bay has the highest fees; Foresthill (Non-residential) is the lowest (Gen. Comm. - \$3.95 per sf, Office - \$10.30 per sf, Industrial - \$2.37 per sf). Values are converted to per square foot value. (<https://www.placer.ca.gov/1741/Traffic-Impact-Fee-Program>) These fees will increase at the end of July 2019 by an average of 2.3%

⁶ Proposed Interim TIM Fee Update - Alternative 1: Reduced Grant Funding and No Funds Allocated to Non-Residential Offset

⁷ Proposed Interim TIM Fee Update - Alternative 2: Reduced Grant Funding and Funds Allocated to Non-Residential Offset for 20% Reduction

Local Serving Share of Nonresidential Employment

Initial 2005 Analysis

- **Purpose:** Determine the percentage of commercial (retail/office) jobs in the County that serve the local population.
- **Usage:** Local-serving share of jobs (65%) was used to shift a portion of all nonresidential equivalent dwelling units to residential EDUs in the County's Traffic Impact Mitigation (TIM) Fee Program.

Updated 2020 Analysis

- **Purpose:** Determine if previous percentage share of local-serving jobs is still appropriate.
- **Conclusions:**
 - Consider using the current (most recent data as of 2017) percentage of local-serving jobs in the County (62%).
 - Consider reviewing employment data in conjunction with future TIM Fee updates to determine any changes.
 - Consider whether to retain current methodology or apply the % shift to retail and office land uses only.

3. Next Steps

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Recommend Board give direction to staff and their consultants:

What level of Grant Funding should staff assume in the TIM Fee Update?

Local-serving employment:

- 1) Should staff use the current percentage (62%) as the basis for shifting non-residential EDU's to residential uses?
- 2) Should staff review the employment data in conjunction with each future major update to the TIM Fee program?
- 3) Should staff use the current methodology or only shift retail /commercial and office uses?

Next Workshop

The next workshop is scheduled for:
March 10, 2020

Topics include:
Wineries and cannabis categories