DEVELOPMENT SERVICES DEPARTMENT

County of EL DORADO

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April 1, 2008

Ms. Cathy Creswell, Deputy Director Department of Housing and Community Development Division of Housing Policy Development P.O. Box 952053 Sacramento, CA 94252-2053

Subject: El Dorado County Housing Element Update for Planning Period 2008-2013

Dear Ms. Creswell,

El Dorado County is pleased to provide a draft of the revised Housing Element, for which the County Board of Supervisors intends to adopt on June 24, 2008. This Housing Element embodies El Dorado County's plan for addressing the housing needs of residents of the unincorporated areas of the county through June 2013.

Under State law, Housing Elements must be updated every five years and submitted to the State Department of Housing and Community Development (HCD) for review and HCD is required to issue findings certifying whether the element substantially complies with state Housing Element law. El Dorado County recognizes that Housing Element certification is important for several reasons: to maintain eligibility for certain grant funding programs, to ensure the legal adequacy of the General Plan, and to preserve local control of land use decisions.

Over the past 5 years, the County has seen considerable growth in housing including multifamily housing and has experienced a significant increase in the number of applicants interested in developing affordable units. Since 2002, the County has developed 617 multifamily units and an additional 401 2nd dwelling units with approximately 70% of the total multifamily units dedicated to low and moderate income housing. This achievement was accomplished primarily under the writ since it was not lifted until October 2005. Projects include White Rock Village in El Dorado Hills, 168 workforce housing units for 60% median income and below (2005); The Knolls at Green Valley in Cameron Park, 200 tax credit units (2006); Diamond Sunrise Phase II in Diamond Springs, 16 senior low-income units (2003), and Eskaton Lincoln Manor, 45 senior low-income units on Motherlode Drive in Placerville (2003).

In addition, the County has tracked residential sales of single family dwellings and during 2006-2007 more than 14% of homes sold were at a price considered affordable for very low and/or low income households, based on the MFI for a family of four. This was surprisingly good news, with current housing cost, that there were home for sales in these categories. Generally this need is met though multi-family rental properties.

The County has actively applied for additional funding assistance for projects such as those mentioned above through various block grant programs including Community Development Block Grant Program, HOME

Investment Partnership Program, Cal-HOME, Workforce Housing Reward Program, Emergency Housing Assistance Grant – Capital Development, and Building Equity and Growth in Neighborhoods (BEGIN). However, without the Certification of the County's Housing Element, many funding opportunities are unavailable to us.

The County's current Housing Element was not certified by HCD due to a primary concern with the voter approved initiative Measure Y and its impacts on the development of affordable housing. HCD staff felt that the County needed to provide an up-front program to address the possibility that the off-site improvement requirements, as a result of a project, may cause a project to become economically infeasible, rendering the site unsuitable for high density development. The County understands HCD's prior request for a more detailed analysis of the impacts associated with Measure Y, including the possibility the Measure Y would reduce available sites for Multi-Family residential. The County has taken steps to reduce the impact during the current planning period including the adoption of a TIM Fee Offset program for projects with affordable units.

To address this concern within the current draft, we included an analysis and review of Measure Y. In addition, we have identified a significant amount of available sites for multi-family housing, and have committed to tracking projects that have demonstrated Measure Y impacts, thereby rendering the project economically infeasible for development. The increase of available sites is due to two actions: one, the use of land use and zoning designations for multi-family housing; and two, a resolution of intention to amend the General Plan and Zoning Ordinance to allow for multi-family housing by right on commercial parcels as part of mixed use projects. In the previous Housing Element, El Dorado County was in the process of adopting an entirely new General Plan and was reviewing four equally weighted alternatives. Therefore, only zoning designations were used to meet the vacant land inventory, providing just enough sites to meet the County's obligation. We believe these two actions together with other policies and measures within the draft Housing Element reduce the impacts of Measure Y on the development of Affordable Housing.

We appreciate the opportunity to discuss with you the progress we have made in implementing our Housing Element during the current cycle. We hope you will find our efforts have had a positive impact on the housing inventory for El Dorado County and the Sacramento region and that you can certify our 2008-2013 Housing Element as soon as possible. We look forward to hearing form your office no later than 60 days from receipt of this document. As mentioned above, the Board of Supervisors intends to adopt the Housing Element on June 24, 2008 to benefit pending projects in process who wish to seek funding assistance, which are dependent upon certification.

Sincerely,

David A. Storer AICP Interim Assistant Chief Administrative Officer – Development Services Director

Attached: 2008-2013 Housing Element