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February 23, 2016

TO: Board of Supervisors

FROM: Claudia Wade, Senior Civil Engineer
Natalie Porter, Traffic Engineer

Subject: Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Update – Board of Supervisors (Board) Study Session #5

PURPOSE AND SUMMARY

Staff is requesting Board direction on items for the TIM Fee Program (items 1-4) as listed below. Staff is also asking the Board to receive and file the Notice of Preparation (NOP) (item 5), a brief summary of the land use allocation process (item 6), and the Public Outreach Report (item 7). Further detail is provided below.

TIM Fee Program:

1) Provide direction on the percentage allocation of El Dorado County Transportation Commission (EDCTC) State/Federal Grant Projection.

   Staff Recommendation: *Apportion 45% of forecasted future grant funding toward non-TIM Fee CIP projects and 55% toward the TIM Fee Program with the following allocation: 31% for external (pass-through trips), 9% toward affordable housing allocation, and 15% toward the Non-Residential Offset.*

2) Provide direction on relief for secondary dwelling units.

   Staff Recommendation: *In December 2015, staff recommended Option 1, continuing to allow applicants to apply for relief via the TIM Fee Offset Program, but Options 2 and 3 (as described in the staff report below) can also be easily accommodated without any significant change to the draft TIM Fee Program.*

3) Approve adjustment for Traffic Signal Operational and Safety Improvement line item to bring it in line with historical (2005-2015) spending, resulting in an additional $45,000,000 reduction to the draft TIM Fee Program.

   Staff Recommendation: *Approve adjustment for Traffic Signal Operational and Safety Improvement line item, resulting in an additional $45,000,000 reduction to draft TIM Fee Program.*

4) Approve the inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program.

Staff Recommendation: *Approve inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program.*

CIP/TIM Fee Program:

5) Receive and file the NOP for the Programmatic Environmental Impact Report (EIR) for the Major CIP and TIM Fee Program Update. (Attachment 15B)
6) Receive and file a brief summary of the land use allocation process. (Attachment 15C)
7) Receive and file the Public Outreach Summary and Report. (Attachment 15D)

BACKGROUND

An extensive background on the CIP and TIM Fee Programs was provided as part of the September 22, 2015 and December 7, 2015 Board hearing materials (See attachments 9A and 13A). In summary, the CIP is the planning, prioritization, scheduling and construction mechanism, while the TIM Fee program is one of the funding mechanisms for getting needed CIP projects built within the County. The CIP includes TIM Fee and non-TIM Fee projects to be constructed over the next 20 years.

At the last Board Study Session, held on December 7, 2015, the Board took the following tentative actions:

1) Approved use of the Smoothed 8 Zone TIM Fee Geography with Zones 2 and 3 merged.
2) Approved the TIM Fee Project List.
3) Directed staff to remove right-of-way, sidewalk, and curb and gutter from TIM Fee Projects where feasible, as shown in Attachment 13C, except include right-of-way costs for the Country Club Drive project between Bass Lake Road/Old Bass Lake Road to Tierre de Dios Drive. Also, directed staff to proceed with a Frontage Improvement Ordinance.
4) Directed staff to return to the Board with additional analysis on the percentage allocation of EDCTC State/Federal Grant Projection.
5) Directed staff to return to the Board with additional analysis on the benefits of the buy down for secondary dwelling units or "granny flats" and how the fees might change.
6) Adopted Resolution of Intention (ROI) 204-2015 and directed staff to proceed with a General Plan Amendment, making sure the environmental document is flexible to look at all options to remove the employment cap on the El Dorado Hills Business Park.
7) Approved the use of "fair share" in the calculation of the TIM Fees, and directed staff to bring an item to the Board should fund transfers be required between Zones 1-7 and Zone 8.
8) Received and filed the Draft TIM Fee Ordinance and Resolution.
9) Received and filed TIM Fee Program Environmental Constraints Analysis for the TIM Fee Projects.
10) Approved in concept the draft CIP (non-TIM Fee Funded) project list with the inclusion of #71319 U.S. 50/Camino Area Local Road Improvements (El Dorado County Share) and #GP137 White Rock Road Widening – Manchester Drive to Sacramento County line.
11) Received and filed the Public Outreach Summary and Report.

DISCUSSION

Staff is recommending the Board provide direction on the items 1-4 listed below. Staff is also recommending the Board receive and file items 5, 6 and 7. Responses are also provided to two public comments received during the last Board Study Session (item 8).

TIM Fee Program:

1. Board Direction Requested: Percentage allocation of EDCTC State/Federal Grant Projection

Alternative funding for the CIP includes all federal, state, and local sources other than TIM Fee revenue. El Dorado County receives some federal and state transportation revenue directly from the funding agencies. Other state and federal state transportation funding is programmed through the Regional Transportation Planning Agency and the Metropolitan Planning Organization; in the case of El Dorado County, those agencies are the El Dorado County Transportation Commission (EDCTC) and Sacramento Area Council of Governments (SACOG), respectively. State and federal transportation funding is typically programmed formulaically or through a competitive process.

As discussed at the September 22, 2015 and December 7, 2015 Board Study Sessions, EDCTC provided the County with a draft projection of available funds for the next 20 years as part of the Financial Element of the Draft El Dorado County Regional Transportation Plan 2015-2035 for use in the Major CIP and TIM Fee Update (Attachment 9J).

The grant revenue estimate for the updated program is based on a conservative assumption that the County will get only 86% of the total EDCTC projected revenue, even though the unincorporated area contains 93% of the West Slope's population. Based on the last 11 years of revenue history for the TIM Fee Program, the County could anticipate $196,000,000 in grant funding over the next 20 years. In an effort to be conservative, the draft TIM Fee structure assumes that the County will receive only $188,000,000, some of which will be used for TIM Fee-funded projects and some of which will be used for non-TIM Fee-funded projects.

On September 22, 2015, staff presented a scenario that assumed that 64% of the projected grant revenue would be apportioned to the TIM Fee Program and 36% would be apportioned for non-TIM Fee funded CIP Projects. The 64% was selected as an approximation of the existing program assumptions. The 64% for the TIM Fee Program had the following breakdown:

- 31% for external (pass-through) trips
- 11% toward affordable housing
- 22% toward non-residential offset (provides 60% reduction of fees for non-residential projects)

As discussed in December 2015, based on historical federal/state funding use on TIM Fee projects, staff recommends reducing the grant revenue apportioned to the TIM Fee Program from 64% to 55%. In order to make this reduction, a change in allocation has to occur from the only two categories that can be modified: non-residential offset and affordable housing. The 31% dedicated to external (pass-through) trips is predicated on the Mitigation Fee Act (AB 1600) nexus contribution as determined by the Travel Demand Model (TDM) analysis. This allocation cannot be modified, as the County cannot require new development to pay for pass-through trips. The staff recommended breakdown is as follows:

- 31% for external (pass-through) trips
- 9% toward affordable housing
- 15% toward non-residential offset (provides 60% reduction of fees for non-residential projects)

A commitment was made with the 2006 Housing Element update that $20,000,000 would be allocated toward affordable housing. A total of $2,300,000 has been spent or committed to date, leaving a remainder balance of $17,700,000. The balance is required to remain in the TIM Fee Program as part of the commitment made in 2006. Adjusting the allocation to reflect the $17,700,000 balance would allow for a 2% reduction in affordable housing.

More flexibility exists in the adjustment of the state/federal grant allocation toward the non-residential fee offset. In 2006, the Board directed that a portion of the forecasted grant revenue be used to reduce the costs of non-residential TIM Fees to meet the Board's various policy objectives, including their goal to keep the commercial rates at a more competitive level.

The proposed TIM Fee program demonstrates a significant lowering of most of the non-residential categories, which still meets the Board's goals. Given that there is little adjustment flexibility from affordable housing, and none from the pass-through trips, staff recommends reducing the non-residential subsidy by 7% (from 22% to 15%).

At the December 7, 2015 meeting, Board members requested additional information on the reduction for the non-residential fee offset. Increasing the non-residential subsidy will increase the overall percentage of the forecasted grant revenue to be used for TIM Fee eligible projects and reduce the TIM Fees for non-residential categories. However, adding a percent to the subsidy does not necessarily equate to an equal percent drop in the TIM Fee for each category. This is due to the complexity of the number of uses, their respective trip generation rates, and how the trips are generated or attracted to the use. For example, using the draft fee tables from December 2015 and comparing them to the September version:

- *General Commercial TIM Fee category* (as of December 2015, draft TIM Fees range from $1.19 to $8.88 per square foot): adding one percent of forecasted grant revenue to the non-residential subsidy results in a potential reduction from 5 cents per square foot in Zone 1 to 30 cents per square foot in Zones 2 and 3.
- *Office/Medical TIM Fee category* (as of December 2015, draft TIM Fees range from $0.78 to $5.75 per square foot): adding one percent of forecasted grant revenue to the non-residential subsidy results in a potential reduction from 3 cents per square foot in Zone 1 to 25 cents per square foot in Zones 2 and 3.

Note that the example ranges described above are predicated on all assumptions remaining constant between the two versions. These potential reductions should be viewed as a point of reference and are not a guarantee of the exact reduction that would occur if additional subsidies were given to non-residential uses. Should the Board choose a different percentage of the projected grant revenue to assign to the TIM Fee program; the nexus calculations will be updated.

Additionally, there are other fee schedule adjustments being proposed and described in this staff report that are based on the previous Board direction and historical data. For example, Item 3 describes the proposed reduction in the Traffic Signal Operational and Safety Improvement line item (approximately $45,000,000).

If the non-residential subsidy is reduced from 22% to 15% as recommended by staff (approximately $13,000,000), this projected grant revenue would be apportioned to non-TIM Fee CIP Projects. Depending on the type of grant money received and at the Board's discretion, the $13,000,000 could be allocated to currently unfunded projects from the non-TIM Fee CIP Project list. For example, the $13,000,000 could be used to construct all of the following projects:

1) CIP#72332: El Dorado Hills Boulevard/Francisco Drive Intersection Alignment ($9,500,000 cost)
2) GP173: Pleasant Valley Road Widening – Pearl Place to Big Cut Road in Diamond Springs ($2,700,000 cost)
3) GP182: Silva Valley Parkway/Golden Eagle Lane Intersection Signalization ($768,000 cost)

These projects are safety and/or capacity improvements that would no longer be eligible for TIM Fees under the proposed program.

Options:

1) *Apportion 64% of the projected grant revenue to the TIM Fee Program, maintaining the following allocations: 31% toward External Trips, 11% toward affordable housing, and 22% toward non-residential offset (provides 60% reduction of fees for non-residential projects). Apportion remaining 36% of the projected grant revenue to the non-TIM Fee funded CIP projects.*
2) *Apportion 55% of the projected grant revenue to the TIM Fee Program with the following revised allocations: 31% toward External Trips, affordable housing allocation reduced from 11% to 9% ($17,650,000 instead of $20,000,000), and non-residential offset reduced from 22% to 15% ($28,129,500 instead of $41,256,600, bringing down offset from 60% to 40.9%). Apportion remaining 45% of the projected grant revenue to the non-TIM Fee funded CIP projects.*
3) *Apportion a different percentage, between 55% and 64%, of the projected grant revenue to the TIM Fee Program. If the Board determines a percentage between 55% and 64%, staff will return with the corresponding TIM Fee Program.*

Staff Recommendation: *Option 2 - Apportion 55% of the projected grant revenue to the TIM Fee Program with the following allocations: 31% for External (pass-through trips), 9% toward affordable housing, and 15% toward the Non-Residential Offset. Apportion remaining 45% of the projected grant revenue to the non-TIM Fee funded CIP projects.*

2. Board Direction Requested: Provide relief for secondary dwelling units

Secondary dwelling units were accounted for in the draft TIM Fee impact analysis and fair share contributions toward the mitigation of impacted roadways. Because these units are included in the analysis, the fees for secondary dwelling units cannot simply be waived. In the impact analysis, secondary dwelling units were considered most feasible in the rural centers and rural regions of the County, where fee reductions are most significant. It was assumed that 4% of the dwelling units in the rural centers and rural regions would have secondary units or approximately 800 units over the 20-year horizon. Secondary dwelling units are subject to the multi-family TIM Fee rate, which is considerably less than the single-family rate. The average draft multi-family TIM Fees for Zones 1, 4, 5, 6 and 7 is approximately $4,100 per unit.

The options presented in December 2015 included:

1) Applicants can consider using the *TIM Fee Offset Program for Developments with Affordable Housing Units* (Board Policy B-14), which requires a deed restriction on the property, toward the offset and/or waiver of their TIM Fees; or
2) The Board can also use a portion of the projected state/federal grant funds to reduce the fees for secondary dwellings.

The staff recommendation was Option 1 - to continue to allow applicants to apply for relief via the *TIM Fee Offset Program*. This Program is currently in place and allows up to 100% subsidy for secondary dwelling units, but requires a deed restriction on the property.

Options to Subsidize Secondary Dwelling Units without a Deed Restriction

In December 2015, the Board directed staff to tie the discussion of relief for secondary units in with the previous analysis regarding the use of the state/federal grant funds.

The General Plan includes secondary dwelling units in the definition of affordable housing. General Plan Policy HO-1.24 states "The County shall encourage Second Dwelling Units to provide housing that is affordable to very low, low and moderate income households," and Policy HO-1.26 states "The County shall ensure that public services and facilities are provided to affordable housing projects at the same level as to market-rate housing. Incentives and/or subsidies shall be considered to support the production of housing for very low, low and moderate income households."

Based on General Plan Policies HO-1.24 and HO-1.26, the Board could find that it is appropriate to provide a subsidy for secondary dwelling units without a deed restriction using monies already committed to the *TIM Fee Offset Program* ($17,700,000). Providing a 50% subsidy for secondary dwelling units' TIM Fees would cost approximately $1,640,000 over the 20 year life of the TIM Fee Program (assuming approximately 40 secondary dwelling units per year x $2,050 x 20 years). Fully subsiding secondary units (so no TIM Fee would be charged) would result in a cost over the life of the Program of $3,280,000 (40 units x $4,100 x 20 years).

The balance of $17,700,000 in the *TIM Fee Offset Program for Developments with Affordable Housing Units* appears to be adequate to fund both future affordable housing developments as well as a 50% or 100% subsidy for secondary dwelling units, since only 11.5% ($2,300,000) of the total $20,000,000 commitment has been used in the first 10 years of the 20-year program. Since the 50% or 100% subsidy options would be funded by monies already set aside for the *TIM Fee Offset Program*, providing such a subsidy would not change the overall percentage of projected grant funding needed to fulfill the County's obligation in the General Plan Housing Element. If the Board were to fully subsidize secondary dwelling units in this manner, it would also allow the existing *TIM Fee Offset Program* (Board Policy B-14) to be modified to be wholly focused on more traditional affordable housing type projects such as single family detached moderate homes, duplexes, multi-plexes, etc.

Options:

1) *Continue to allow applicants to apply for relief via the $17,700,000 dedicated to the* TIM Fee Offset Program for Developments with Affordable Housing Units, *which requires a deed restriction on the property.*
2) *Provide a 50% subsidy for secondary dwelling units without requiring a deed restriction. The $1,640,000 used to fund this relief ($82,000 per year for 20 years) would come out of the $17,700,000 dedicated to the* TIM Fee Offset Program for Developments with Affordable Housing Units.
3) *Provide a 100% subsidy for secondary dwelling units, without requiring a deed restriction. The $3,280,000 used to fund this relief ($164,000 per year for 20 years) would come out of the $17,700,000 dedicated to the* TIM Fee Offset Program for Developments with Affordable Housing Units, *and would fully remove the secondary dwelling units from the program.*

Staff Recommendation: *In December 2015, staff recommended Option 1, but Options 2 and 3 can also be easily accommodated without any significant change to the draft TIM Fee Program.*

3. Approve adjustment for Traffic Signal Operational and Safety Improvement line item to bring it in line with historical (2005-2015) spending, resulting in an additional $45,000,000 reduction to the draft TIM Fee Program.

Staff has continued to search for additional means to appropriately reduce TIM Fees. After a review of the Traffic Signal Operational and Safety Improvement line item and consultation with Transportation Division staff, the average cost of an intersection improvement was reduced from $2,000,000 per intersection to $1,800,000 per intersection. The $1,800,000 includes approximately $350,000 for a traffic signal and $1,450,000 for channelization and road improvements. The frequency of intersection improvement projects was also reduced from two per year to one per year, which is more consistent with historical (2005-2015) spending. The Intelligent Transportation System (ITS) portion of the line item includes projects such as implementation of adaptive signal control, signal pre-emption, signal coordination, and a potential Integrated Corridor Management program with Caltrans. These changes to the Traffic Signal Operational and Safety Improvement line item result in a further reduction of $45,000,000, or approximately 10% of the entire program.

Staff Recommendation: *Approve adjustment for Traffic Signal Operational and Safety Improvement line item, resulting in an additional $45,000,000 reduction to draft TIM Fee Program.*

4. Approve the inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program ($2,442,000).

Country Club Drive is a key parallel capacity project that will help traffic circulation on both Highway 50 and local roadways, but there are some gaps in continuity. In December 2015, the Board directed that right-of-way costs for a segment of Country Club Drive east of Bass Lake Road be bought back into the TIM Fee Program to ensure that it can be built in a financially feasible and timely fashion. The planned County Club Drive extension between Silva Valley Parkway and Tong Road will fill a key gap in this facility. This segment might be part of a future development project, but to maintain our options and ensure that building this key segment will be financially feasible, we should maintain the TIM funding option. As such, estimated right-of-way costs for this segment ($2,442,000) should remain in the TIM Fee program.

Options:

1) *Approve the inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program.*
2) *Do not approve the inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program.*

Staff Recommendation: *Approve the inclusion of costs to acquire right-of-way for the Country Club Drive segment between Silva Valley Parkway and Tong Road in the TIM Fee Program.*

<u>CIP/TIM Fee Program:</u>

5. Receive and File the NOP for the Programmatic Environmental Impact Report (EIR) for the Major CIP and TIM Fee Program update.

On December 7, 2015 the Board adopted ROI 204-2015 and directed staff to proceed with the General Plan Amendment. Additionally, on December 15, 2015 the Board approved an amendment to Agreement #214-S1511 with Kittelson and Associates, Inc. (KAI) to allow KAI's sub-consultant, Rincon Consultants, Inc. to complete the Programmatic EIR. Rincon Consultants, Inc. has prepared and circulated a NOP for the Programmatic EIR (see Attachment 15B). The NOP was filed with the state clearinghouse during the first week of February. A scoping meeting is scheduled for March 3, 2016 at 5:30 PM in the Planning Commission Hearing Room.

At the December 7, 2015 Board Study Session, some of the discussion centered around ensuring that the environmental document will be flexible enough to evaluate options to remove the employment cap off of the El Dorado Hills Business Park. The construction of the Latrobe Connector is one of the options identified in the General Plan as a way to mitigate the forecasted unacceptable level of service (LOS) on White Rock Road and Latrobe Road. The addition of the Latrobe Connector to the General Plan TC-1 map is one of the reasons a Programmatic EIR is required for this major update.

The El Dorado Hills Business Park employee cap and any alternatives to mitigate unacceptable LOS were thoroughly reviewed, analyzed and the results documented in the 2004 General Plan EIR. The *CEQA Finding of Fact*, adopted by the Board on July 19, 2004, lists the measures adopted to mitigate the impacts from development in the Business Park to White Rock and Latrobe Roads:

- Mitigation Measure 5.4-1(a): Amend the Circulation Diagram to include a new Arterial Roadway from El Dorado Hills Business Park to U.S. 50. This became Policy TC-1u and Implementation Measure TC-V (1).
- Mitigation Measure 5.4-1(b): Add New Growth Control Implementation Measure. This became Policy TC-1y and Implementation Measure TC-V (2).
- Mitigation Measure 5.4-1(d): Amend the Circulation Diagram to Include a Frequent Transit Service on Exclusive Right-of-Way to the El Dorado Hills Business Park. This became Policy TC-1v and Implementation Measure TC-V (3).

The *CEQA Finding of Fact* also states that, "To determine the circulation diagram needed for the proposed General Plan in light of the proposed LOS standards and the Business Park cap, additional traffic modeling and analysis was performed….This analysis further determined that the LOS standard exceedances identified in the EIR for the 1996 General Plan alternative and the Environmentally Constrained alternative, including exceedances on three segments of Latrobe Road and White Rock Road that were common to both alternatives, would be eliminated with the proposed policy changes and revised circulation diagram. The circulation diagram recommended in the analysis … was incorporated into the adopted General Plan."

Staff and consultants performed a thorough analysis of many alternatives (in conjunction with the other mitigation measures) to address potential LOS exceedances in the 2004 General Plan in the vicinity of the El Dorado Hills Business Park. Adding the Latrobe Connector, previously known as the "New Arterial Roadway from El Dorado Hills Business Park to U.S. 50," will implement the mitigation measure the Board determined to be the best choice.

On December 18, 2012, Legistar Item No. 12-1342, the Board received and filed the *Latrobe Road Connector Study*, which was performed to fulfill a condition of approval for the West Valley Village tentative map. The study was the final analysis of screened alternatives for the "new arterial roadway from the El Dorado Hills Business Park to U.S. 50" (otherwise known as the Latrobe Connection, to differentiate it from the Southeast Connector), and was the start of the analysis needed to satisfy General Plan Policy Tc-1u and Mitigation TC-V(1). Additionally, the Board chose to defer a decision on the alignment for a connection to the west until the completion of the Travel Demand Model (TDM) and land use forecast efforts.

The TDM is complete, and the land use forecast for 2035 has been completed and used for the Major CIP/TIM Fee update. This analysis does show the continued need for the Latrobe Connection to meet LOS standards on Latrobe Road, White Rock Road and the Latrobe Road/White Rock Road intersection. The project has been incorporated into the update of the CIP and TIM Fee program. The addition of the Latrobe Connection should allow the employee cap on the El Dorado Hills Business Park to be lifted.

Per Board direction, staff will also look at the feasibility of other options to remove the employment cap on the El Dorado Hills Business Park.

6. Receive and file a brief summary of the land use allocation process

In response to public comment at the December 7, 2015 Board Study Session, staff has provided the following summary of the land use allocation process. The process is explained in more detail in the *EDC TDM Final Land Use Report*, by Kimley-Horn and Associates, Inc. (Attachment 15C).

> The land use forecasts were developed through an extensive parcel level analysis of vacant and underdeveloped areas where residential, multi-family housing, commercial, research and development, public and industrial development were considered feasible. Parcels within the Community Regions, with the exception of Camino/Pollock Pines, were reviewed using the 2010 El Dorado County parcel database and verified using aerial imagery and local knowledge of development patterns and history to estimate the amount of achievable residential units and non-residential development.
>
> The vacant and underdeveloped lands within the Community Regions were reviewed on a parcel-by-parcel basis to estimate the development potential according to the land use designations in the current General Plan. The level of achievable development was based on many factors, including current (non-expired) projects (Specific Plans, Development Agreements, Parcel Maps, etc.), topography, wetlands, historical densities, and other regulatory or government restrictions or limitations.
>
> Research and Development, Commercial, and Industrial land uses were reviewed based on parcel levels in Community Regions and limited review in Rural Regions and Rural Centers. Within Community Regions, commercial uses were broken down into several traffic generated categories such as retail, service, medical, office, industrial, and mixed use based on their percentage reasonably expected to be found in particular locations. This task was accomplished through consultations with commercial developers taking into consideration geographical locations and surrounding uses.

Based on public comment received at the December 2015 Board Study Session regarding multi-family units, and upon re-examination of how the above analysis was translated into land use inputs suitable for traffic modeling, small discrepancies were identified for how single family and multi-family units were defined and allocated within rural regions and rural centers per the Board's directive for a 75/25 split (75% of future growth within Community Regions, 25% outside). Although the discrepancies are small/insignificant, staff has moved to remedy the discrepancy. Multi-family units can be duplexes, triplexes, and single units on very small parcels. The multi-family units now reflect the projections assumed in the Board presentation given in February 2014, and the secondary dwelling units are now included in the multi-family category instead of the single family category. The following table provides a comparison of the approximate land use assumptions adopted by the Board in February 2014 vs. actual numbers in the Major TIM/CIP Update 75/25 land use scenario:

<table>
<tr><th>Type of Dwelling Units</th><th>February 2014 Board Direction</th><th>January 2016 Actual Units in the Model[1]</th><th></th></tr>
<tr><td>Single Family (Community Regions)</td><td>10,000</td><td>10,300</td><td></td></tr>
<tr><td>Multi-Family (Community Regions)</td><td>3,000</td><td>3,400</td><td>Includes the 257 Mixed Use units from the TGPA/ZOU</td></tr>
<tr><td>Single Family (Rural Regions and Rural Centers)</td><td>4,100</td><td>3,200</td><td rowspan="2">“Granny Flats” or secondary units moved from single family to multi-family</td></tr>
<tr><td>Multi-Family (Rural Regions and Rural Centers)</td><td>300</td><td>1,100
(approx. 300 Multi-Family units and approx. 800 secondary dwelling units)</td></tr>
<tr><td>Total</td><td>17,400</td><td>18,000</td><td></td></tr>
<tr><td colspan="4">[1]Model numbers assumes 8% vacancy rate</td></tr>
</table>

On December 15, 2015, the Board approved the Targeted General Plan Amendment and Zoning Ordinance Update (TGPA/ZOU). The major update of the TIM Fee program and the CIP must incorporate this update to the General Plan. On May 5, 2015 the Board directed staff and consultants to use only the (former) General Plan land use to update the CIP and TIM Fee. Prior to that direction, both the General Plan and TGPA/ZOU land use alternatives were used in the initial analysis. At that time the TGPA/ZOU land use resulted in an additional project on Missouri Flat Road for the TIM Fee Program. The land use data for the TGPA/ZOU, which is now the County’s General Plan, along with the multi-family unit adjustment discussed above, will be used to ”refresh” the deficiency analysis, select link analysis and the nexus analysis. Staff will return in March 2016 with the results of this update. This work will be done using the contingency budget in the existing consultant contract.

7. Receive and file public outreach summary and report (Attachment 15D).
The final phase of the public outreach was designed to give the public an opportunity to comment on the proposed TIM Fees and review projects for the CIP. This phase ran between October of 2015 and January of 2016.

The project website continues to be a valuable tool to engage a larger County-wide audience. The site was regularly updated, and included all project deliverables for public review, three separate interactive workshops and tools to allow public comment on documents, suggestions for capital improvement projects and online participation for public workshops. Between the website and the interactive mapping tool, over 5,300 individual sessions have been tracked since launch. The website has over 1,100 active users and has had more than 7,000 page views.

Attachment 15D provides a summary of the third and final public workshop which took place on December 8, 2015.

8. Responses to Public Comments

During the Board Study Session held on December 7, 2015, a member of the public suggested that the County should consider imposing a transfer tax of 0.5% to 1% on the sale of all real property in the County to provide additional funds for the CIP. The County Assessor was contacted for the number and monetary value of recent property transactions in unincorporated El Dorado County. Over the last three years, the average annual value of real property transactions was $1,870,000,000. Levying a 1% transfer tax on this amount would equate to $18,700,000 that could be used to fund CIP projects. Staff is not recommending the Board consider a transfer tax, but is rather providing this information in response to public comment.

Staff would also like to clarify an issue raised regarding reimbursement obligations. The TIM Fee update allocates all project costs, including reimbursement agreements, across all 8 zones based on the fair share (select link) analysis, so all zones pay their fair share of future projects and remaining reimbursement agreement costs. Zone 8 will pay a fair share of reimbursement agreement costs for projects located in Zones 1-7, and Zones 1-7 will pay a fair share of reimbursement agreement costs for projects located in Zone 8. This approach is already factored in to the draft nexus study and the reduced TIM Fees presented to the Board in 2015 and is the most technically defensible approach under the Mitigation Fee Act (AB 1600).

ALTERNATIVES

N/A

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item.

STRATEGIC PLAN COMPONENT

The Major CIP and TIM Fee Update would address existing levels of traffic congestion, improve existing infrastructure and fund needed road improvements necessary to maintain LOS standards as required by General Plan policies and as part of the Infrastructure component of the County Strategic Plan.

NEXT STEPS

Staff will return to the Board in March 2016 with the following items:

- Updated draft information on the TIM Fee Program and overall CIP program based on direction provided by the Board on February 23, 2016 and incorporation of the new General Plan (as adopted via the TGPA/ZOU)
- Updated TIM Fee Program project list
- Updated Non-TIM Fee CIP project list

CONTACT

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