



**COMMUNITY DEVELOPMENT AGENCY  
LONG RANGE PLANNING DIVISION**

**INTEROFFICE MEMORANDUM**

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Date: January 23, 2017

TO: Don Ashton, CAO

FROM: C.J. Freeland, Department Analyst  
Housing, Community and Economic Development Program

Subject: TIM Fee Offset for Affordable Housing Units – Board Policy B-14  
January 2017- Round 19 Application Review Recommendations

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Reviewed by:

A handwritten signature in black ink, appearing to read "Shawna Purvines", written over a horizontal line.

Shawna Purvines, Interim Assistant Director, Community Development Agency

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On December 11, 2007, the Board of Supervisors adopted Policy B-14, Traffic Impact Mitigation (TIM) Fee Offset Program for Developments with Affordable Housing Units. The Traffic Impact Fee Program includes a provision to set aside \$1 million of federal and state transportation revenues annually for a period of 20 years to be used to offset TIM fees in the development of affordable housing. Affordable units must be designed to serve very-low to moderate-income households in the unincorporated areas of El Dorado County to be eligible under specific guidelines of the Traffic Impact Mitigation (TIM) Fee Offset Program. The TIM Fee Offset Program allows for a reduction of TIM fees and is not a cash subsidy.

Applications for projects with five or more units are accepted twice each year in January and July. The Housing, Community and Economic Development (HCED) Program, under the Community Development Agency, Long Range Planning Division, administers the program on behalf of the County.

The application period for Round 19 ended January 17, 2017. Two applications were submitted; one for a 15-unit single family moderate income project in Cameron Park (Zone 2, Supervisorial District 2), and a second application for an 80-unit workforce housing multifamily rental project in Diamond Springs (Zone 3, Supervisorial District 3).

In an effort to fulfill both the TIM Fee Offset Program and Housing Element implementation program the TIM Fee Offset Review Committee ("Committee"), comprised of representatives from Environmental Management, the Department of Transportation (DOT) and Long Range Planning, considers requests from developers

benefit by providing housing that is affordable to very-low-, low- or moderate-income households. A recommendation for approval of TIM Fee Offset by the Committee does not imply approval of the project. Developers must submit projects for approval and permits through El Dorado County Planning Services and are subject to provisions of the Zoning Ordinance and General Plan.

The Committee reviewed and rated the application based upon criteria established by Board Policy B-14. TIM Fee Offset recommendations are based on the TIM Fee rates effective February 13, 2017.

## PROJECT #1

### Request Summary:

|                         |                            |
|-------------------------|----------------------------|
| Project Name:           | Cameron Glen Phase 5       |
| Developer:              | Cameron Glen Estates LLC   |
| Total Restricted Units: | 15                         |
| TIM Fee:                | \$29,500/per unit          |
| Target Income:          | Moderate Income            |
| TIM Zone:               | 2 - Cameron Park           |
| Supervisory District:   | District 2, Shiva Frentzen |
| TIM Fee Offset Request: | \$ 221,250                 |

### Recommendation:

|                 |  |
|-----------------|--|
| TIM Fee Offset: | Up to \$221,500 (Zone 2 Single Family Dwelling)  |
| Conditions:     | Contingent upon execution and recordation of TIM Fee Offset Affordable Housing Agreement for 20-year affordability |

The Cameron Glen Phase 5 project is located in Cameron Park on the south side of Green Valley Road between Cameron Park Drive and Cambridge Road and comprises 1.62 acres appropriately zoned Multi-Family Residential. It consists of 15 single-family one- and two-story homes with three or four bedrooms ranging in size from 1,510 to 1,556 square feet.

The project exceeds the criteria under Board Policy B-14 for five or more units where at least 20 percent of the units will be affordable to very low-, low-, or moderate-income households for a minimum of 20 years. This project proposes 100 percent of the 15 for-sale units affordable to moderate-income households for a period of 20 years. The total TIM Fees for the project would be \$442,500 (\$29,500 per unit - Zone 2 single family dwelling). Policy B-14 allows for a TIM Fee Offset of 25 percent for moderate-income housing. The recommended offset of \$221,250 would equal an offset of 50 percent of 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.

The Committee agrees with the developer's request for the additional 25 percent TIM Fee offset for the following reasons: a.) The County is committed to developing incentive programs and partnerships to encourage private development of affordable housing (Policy HO-1.18, Measure HO 2013-14); b.) The project supports the County's efforts to achieve infill development objectives (Policy 5.2.1.6; Priority to Infill development, and HO-2013-14; development of Infill Incentives); and, c.) The proximity of this project to schools, parks and retail, allows easy access to these amenities by walking or bicycle. The project is also in close proximity to public transit, medical services (Marshall Medical), present and future commercial and retail centers, and to employers.

## PROJECT #2

### Request Summary:

Project Name: Diamond Springs Village  
Developer: Core Care Foundation  
Total Restricted Units: 80  
Target Income: Very Low to Low  
TIM Fee: \$ 18,290/per unit  
TIM Zone: 3 - Diamond Springs  
Supervisory District: District 3, Brian Veerkamp  
TIM Fee Offset Request: \$ 1,463,200

### Recommendation:

TIM Fee Offset: Up to \$1,463,200 (Zone 3 Multifamily)  
Conditions:  
1. Contingent upon Low Income Housing Tax Credit award/financing  
2. Contingent upon project submission to County on or before July 15, 2017.  
3. Contingent upon execution and recordation of TIM Fee Offset Affordable Housing Agreement for 20-year affordability

The Diamond Springs Village apartment project is located at 6035 Service Drive in Diamond Springs to the south of Black Rice Lane and north of Pleasant Valley Road and consists of 10.7 acres. The property is appropriately zoned Multi-Family Residential. The project consists of 81 one-, two-, and three-bedroom apartments, 48 very-low incomes, 32 low incomes, and one unit reserved for an on-site property manager.

The project exceeds the minimum threshold criteria under Board Policy B-14 for five or more units where at least 20 percent of the units will be affordable to very low-, low-, or moderate-income households for a minimum of 20 years. Projects that meet the threshold criteria for very low income may receive a 100 percent offset of TIM Fees and low income units may receive a 75 percent offset of TIM fees per affordable unit.

The Committee recommends that the Board consider funding the project at the requested 100 percent offset amount of \$1,463,200 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 in addition to the Board's Strategic Plan Economic Development component. These goals support residential development in Community Regions, infill development, particularly developments that encourage multi-modal transportation, and increase the supply of housing affordable to moderate-income households and workforce housing. The additional offset will also aide the developer in securing Low Income Housing Tax Credit (LIHTC) Allocations that will ensure the affordability period to 55 years.

The Committee's recommendation is contingent upon the project receiving the LIHTC Allocations restricting the project to 55-year affordability, submission of the project to County on or before July 15, 2017, and execution and recordation of a TIM Fee Offset Affordable Housing Agreement.

The following factors are submitted to support the recommendation of a 100 percent TIM Fee Offset: a.) The County is committed to developing incentive programs and partnerships to encourage private development of affordable housing (Policy HO-1.18, Measure HO 2013-14); b.) The project supports the County's efforts to achieve infill development objectives (Policy 5.2.1.6; Priority to Infill development, and HO-2013-14; development of Infill Incentives); and, c.) The proximity of this project to schools, parks and retail, allows easy access to these amenities by walking or bicycle. The project is also in close proximity to public transit, medical services (Marshall Hospital), present and future commercial and retail centers, and to employers.

The TIM Fee Offset Review Committee recommends that the CAO agree that these two projects provide a significant community benefit by providing housing that is affordable to very low, low and moderate-income households and request Board approval for a TIM Fee Offset of up to \$1,684,450.

Should the total recommended TIM Fee Offsets in the amount of \$1,684,450 be awarded, approximately \$7.2 million would remain in the TIM Fee Offset Program to assist future projects. Any balance remaining at the end of the year will be carried forward and added to the \$1.0 million allocation for the next year. The next application round for projects with five or more units is July 1-15, 2017.

Since implementation of the TIM Fee Offset Program in December 2007, and with approval of the Committee recommendations herein, three million seven hundred sixty three thousand two hundred ten dollars (\$3,763,210) in TIM Fee Offsets have been awarded to support the construction of 184 affordable housing units reserved for very-low- to moderate-income households in El Dorado County.