



EL DORADO COUNTY PLANNING & BUILDING DEPARTMENT

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Date: August 17, 2020

To: Don Ashton, Chief Administrative Officer

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

Subject: TIM Fee Offset for Affordable Housing Units – Board Policy B-14
July 2020- Round 26 Application Review Recommendations

Reviewed by:

Tiffany Schmid, Director, Planning and Building Department

On December 11, 2007, the Board of Supervisors adopted Board 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 for 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 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 Planning and Building Department, Planning Services Division, administers the program on behalf of the County.

The application period for Round 26 ended July 17, 2017. One application on behalf of the Diamond Village Apartments was submitted for recertification of an award approved by the Board of Supervisors on February 14, 2017, which after two extensions is set to expire February 14, 2021. This date represents the project's final extension. In the event that the start of construction is delayed beyond February 14, 2021, the applicant needs to ensure the offset for state and federal financing purposes. The project is an affordable 81-unit workforce housing multi-family rental development in Diamond Springs (TIM Fee 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 and Planning Services, considers requests from developers to identify specific projects that will provide a significant community 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’s Planning Services Division and are subject to provisions of the Zoning Ordinance and General Plan. However, the Diamond Village Apartments received entitlements from the Planning Commission in September 2019.

The Committee reviewed and rated the application based upon criteria established by Board Policy B-14. The TIM Fee Offset recommendation is based on the TIM Fee rates effective August 24, 2020.

PROJECT #1

Request Summary:

Project Name:	Diamond Village Apartments
Developer:	SNO Foundation
Total Restricted Units:	81
Target Income:	Very Low, Low and Moderate
TIM Fee:	\$ 13,154/per unit
TIM Zone:	Zone 3 - Diamond Springs
Supervisory District:	District 3, Brian Veerkamp
TIM Fee Offset Request:	\$1,065,474

Recommendation:

TIM Fee Offset:	Up to \$1,065,474 (TIM Fee Zone 3, Multi-family)
Conditions:	Contingent upon execution and recordation of TIM Fee Offset Affordable Housing Agreement for 55-year affordability.

The Diamond Village Apartments 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 (Assessor’s Parcel Number 051-461-059). The property is appropriately zoned Multi-Family Residential. The project consists of 81 one-, two-, and three-bedroom apartments, 48 very-low income, 32 low income, and one moderate income 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, low income units may receive a 75 percent offset and moderate income units could receive 25 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 \$1,065,474 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 very low, low and moderate-income households and workforce housing. The additional offset will also aid 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 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 (General Plan 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, job centers 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), and future commercial and retail centers that could provide additional job opportunities.

The TIM Fee Offset Review Committee recommends that the CAO concur that this project provides 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 \$1,065,474.

Should the total recommended TIM Fee Offsets be awarded, approximately \$10 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 January 1- 15, 2021.

Since implementation of the TIM Fee Offset Program in December 2007, and with approval of the Committee recommendations herein, \$3,125,864 in TIM Fee Offsets have been awarded to support the construction of 169 affordable housing units reserved for very-low- to moderate-income households in El Dorado County.