



Legislation Text

File #: 24-1023, **Version:** 1

Planning and Building Department, Planning Division, Long Range Planning Division, Affordable Housing Unit, in accordance with Board of Supervisors Policy B-14, Traffic Impact Fee (TIF) Offset Program for Developments with Affordable Housing Units, recommending the Board:

- 1) Find that the El Dorado Senior Apartments Phases 1 & 2 project provides significant community benefit by providing housing that is affordable to very-low, low- and moderate-income households;
- 2) Make a conditional award of a Traffic Impact Fee Offset totaling approximately \$1,103,806.00 (per current TIF Program Fee schedule, but subject to change with each TIF Program Fee schedule update) to offset 100% of 144 units affordable at various low-income levels, ranging from 20% to 70% of area median income; and
- 3) Authorize the Planning and Building Department Director, contingent upon approval by County Counsel and Risk Management, to execute all documents associated with the TIF Offset Program.

(District 3)

FUNDING: Federal and State Transportation Revenues.

DISCUSSION / BACKGROUND

Board Policy B-14, Traffic Impact Mitigation (TIM) Fee Offset Program for Developments with Affordable Housing Units, is administered by the Planning and Building Department, Housing Program, in coordination with the Department of Transportation.

The Board adopted the new Traffic Impact Fee (TIF) program that established three TIF zones and new fees effective February 8, 2021.

On December 11, 2007, the Board of Supervisors adopted Board Policy B-14 (Item 56, Legistar File 07-1822). The TIM Fee Program includes a provision to set aside \$1 million of federal and state transportation revenues annually to be used to offset traffic impact fees for the development of affordable housing. Affordable units must be designed to serve very-low to moderate-income households in the unincorporated area 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 traffic impact fees and is not a cash subsidy.

Developers of affordable new construction projects with five or more units seeking the TIF Offset have an opportunity to submit applications subject to review by the TIF Offset Review Committee (Committee). The Committee submits a recommendation to the Chief Administrative Officer (CAO) who refers it to the Board for approval (Attachment A).

On June 8, 2021 (Legistar File 21-0862), the Board awarded El Dorado Senior Village Apartments Phases 1 and 2 a TIF Offset for \$932,144 (\$450,432 for Phase 1 and \$481,712 Phase 2). This award is now void per the terms of Board Policy B-14, as the applicant did not obtain building permit or other similar permit within two (2) years of approval and did not request an extension in writing in a timely manner.

The program accepts applications each year in January and July for projects with five or more units. The application period for Round 33 ended January 31, 2024. One (1) application was submitted on behalf of the affordable housing development; El Dorado Senior Apartments consisting of 144 units consisting of 72 units in Phase 1 and 72 Units in Phase 2 of the project.

In an effort to fulfill both the TIF Offset Program and Housing Element implementation program objectives, the Committee, comprised of representatives from Environmental Management, Department of Transportation and Planning and Building Department, consider 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 a TIF 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 and Building Department Planning Division and are subject to provisions of the Zoning Ordinance and General Plan.

PROJECT APPLICATION: El Dorado Senior Apartments

On August 27, 2020 (Legistar File 20-1033), the project was approved by the Planning Commission to be consistent with Senate Bill (SB) 35 Streamlined Ministerial Approval of Affordable Housing Process with 50% of the total of the total 149 units being deed restricted to low-income seniors.

The Developer is now proposing to develop a 144-unit affordable rental housing development located on Koki Lane in El Dorado that comprises approximately 8.2 total acres zoned Residential Multi-Family and Commercial (split zoning). Phase 1 of the project consists of 72 units on a portion of the parcel to be split and Phase II consists of 72 units on the remaining portion of the parcel split. Each phase will have 71 as deed-restricted units for extremely low-income seniors. There will also be one Manager's Unit that is income restricted as moderate in each phase.

The total project costs are approximately \$48,785,337. Proposed funding will come from the California Tax Credit Allocation Committee, California Debt Limit Allocation Committee, California State Department of Housing and Community Development - MHP & NPLH.

The total TIM Fees for the project would be as follows:

Phase I: 71 deed-restricted units for extremely low-income units is \$549,966 (\$7,746 per unit - Zone B multifamily age-restricted, subject to change with TIF updates) and \$1,937 for 1 moderate-income unit. The applicant has requested an offset of \$551,903 equal an offset of 100 percent of the traffic impact fees, to ensure the project is financially feasible and competitive thereby ensuring the probability for construction.

Phase II: 71 deed-restricted units for extremely low-income units is \$549,966 (\$7,746 per unit - Zone B multifamily age-restricted, subject to change with TIF updates) and \$1,937 for 1 moderate-income unit. The applicant has requested an offset of \$551,903 equal an offset of 100 percent of the traffic impact fees, to ensure the project is financially feasible and competitive thereby ensuring the probability for construction.

The total request for Phase 1 and Phase 2 is \$1,103,806.

The Review Committee requests that the Chief Administrative Officer recommend Board approval of the Offset for the project at the requested amount of \$1,103,806 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 and Healthy Communities components. 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 Committee that met to review the El Dorado Senior Apartments Phase 1 and 2 application consisted of three (3) County staff members; Sr. Planner from Planning and Building, Supervising Civil Engineer from Department of Transportation, and Supervising Environmental Health Specialist from Environmental Management Department. The Committee requests that the Chief Administrative Officer recommend Board approval of the Offset for the project at the requested amount of \$1,103,806.

The following factors are submitted to support the Committee's recommendation of the aforementioned TIF 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 13); b) The projects support the County's efforts to achieve infill development objectives (General Plan Policy 5.2.1.6: Priority to Infill development, and HO 14: Development of Infill Incentives); and, c) The proximity of the Projects to schools, job centers and retail allows easy access to these amenities by walking or bicycle. The project is in close proximity to public transit, elementary schools, and commercial and retail centers that could provide additional job opportunities.

The recommendation for approval is contingent upon the execution and recordation of a TIF Offset Affordable Housing Agreement restricting the rental of the units to the appropriate income level for no less than 20 years.

Should the total recommended TIF Offsets be awarded, approximately \$12 million in potential offsets would remain in the TIF Offset Program to assist future projects. Any balance remaining at the end of the year will be carried forward and added to the \$1 million allocation for the next year. The TIF Offset Program allows for a reduction of traffic impact fees through federal and State transportation revenues and is not a cash subsidy. The next application round for projects with five or more units is in July 2024.

Since implementation of the TIF Offset Program in December 2007, and with approval of the recommendations herein, \$7,037,081.25 in TIF Offsets have been awarded to support the construction of 534 affordable housing units reserved for very low- to moderate-income households in El Dorado County. A Program Summary of awards from January 2008 through January 2024 is provided as Attachment A to this item.

ALTERNATIVES

The Board may reject the recommendation to approve the TIF Offset which could jeopardize the development of these affordable housing projects.

PRIOR BOARD ACTION

See Discussion/Background above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Department of Transportation and Environmental Management

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Approval of this item will award approximately \$1,103,806.00 in Traffic Impact Fees for the development of 144 low-income apartment units. Approximately \$12 million in potential offsets would remain in the TIF Offset Program to assist future projects. Any balance remaining at the end of the year will be carried forward and added to the \$1 million allocation for the next year. The TIF Offset Program allows for a reduction of traffic impact fees through federal and State transportation revenues and is not a cash subsidy.

Since implementation of the TIF Offset Program in December 2007, and with approval of the recommendations herein, \$7,037,081.25 in TIF Offsets have been awarded to support the construction of 534 affordable housing units reserved for very low- to moderate-income households in El Dorado County. A Program Summary of awards from January 2008 through January 2024 is provided as Attachment B to this item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Safe and Healthy Communities

Thriving Economy

CONTACT

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