



Legislation Text

File #: 21-0239, **Version:** 1

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

- 1) Find that the Courtside Manor Apartments Phase 2 project and the El Dorado Haven Apartments project provide significant community benefit by providing housing that is affordable to very-low, low- and moderate-income households; and
- 2) Award a TIM Fee Offset totaling \$1,385,215 (\$493,740 for Courtside Manor Apartments Phase 2 and \$891,475 for El Dorado Haven Apartments); and
- 3) Authorize the Planning and Building Department Director to execute all documents associated with the TIM Fee Offset Program.

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, Community and Economic Development (HCED) Program, in coordination with the Department of Transportation.

The Board recently adopted the new Traffic Impact Fee (TIF) program which established three TIF zones and new fees effective February 8, 2021. Until such time as the Board revises Board Policy B-14, the offset referred to in this discussion will continue to refer to TIM Fees.

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.

Applications for projects with five or more units are accepted each year in January and July. Developers of affordable new construction projects with five or more units seeking the TIM Fee Offset have an opportunity to submit applications subject to review by the TIM Fee Offset Review Committee (Committee). The Committee recommendation is submitted to the Chief Administrative Officer (CAO) and referred to the Board for approval (Attachment A).

The application period for Round 27 ended January 19, 2021. Two applications were submitted on behalf of affordable housing developments; the Courtside Manor Apartments Phase 2 consisting of 36 units, and the El Dorado Haven Apartments consisting of 65 units.

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

The two applications submitted for Round 27 will be presented below individually.

COURTSIDE MANOR APARTMENTS PHASE 2 - The developer, Courtside Manor Homes, Inc., is proposing to develop a 36-unit affordable rental housing development located on Racquet Way, parcel number 051-461-037 in Diamond Springs and comprises approximately four acres appropriately zoned Multi-unit Residential. Phase 1 of the project, which consisted of 12 units on the subject parcel, received a TIM Fee Offset of 100 percent in 2014.

Courtside Manor Phase 2 has proposed 100 percent of the units as affordable to low income households that will consist of nine two-story fourplex apartment buildings with two-bedroom units at rents affordable to low-income households for a minimum of 20 years. Proposed funding for this project will come from private financing.

The total TIM Fees for the project would be \$493,740 (\$13,715 per unit - Zone B multifamily). The recommended offset of \$493,740 would equal an offset of 100 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 be built.

EL DORADO HAVEN APARTMENTS - The developer, Mercy Housing California, is proposing to develop a new 65-unit apartment community located in El Dorado. The 4.66-acre site is situated to the east of Highway 49, approximately 380 feet south of the Snowline Hospice administrative building, on parcel number 331-301-017, and is appropriately zoned Multi-unit Residential.

The project will include five apartment buildings dispersing 1-, 2-, and 3-bedroom units throughout each of the two- and three-story buildings. Mercy Housing has proposed 100 percent of the units as affordable to a variety of income levels will be served ranging from 20 percent to 50 percent area median income. There will be six ADA accessible units, with the possibility of all ground floor units being ADA adaptable. Additionally, a 4,643 square-foot community building will be attached to one of the residential buildings.

The total traffic impact fees for the project would be \$891,475 (\$13,715 per unit - Zone B multifamily). The recommended offset of \$891,475 would equal an offset of 100 percent of the residential traffic impact fees and has been requested by the applicant to ensure the project is financially feasible; thereby ensuring the probability the units will be built. The full offset will also aid the developer in securing necessary state funding such as the Low Income Housing Tax Credit (LIHTC) Allocations that further ensure the affordability period of 55 years. Non-residential impact fees are not offset.

The Review Committee requests that the Chief Administrative Officer recommend Board approval of the Offset for the projects at the requested amount totaling up to \$1,385,215 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 following factors are submitted to support the Committee's 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 Projects support 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 the Projects to schools, job centers and retail allows easy access to these amenities by walking or bicycle. The Projects are in close proximity to public transit, medical services (Marshall Hospital), and future commercial and retail centers that could provide additional job opportunities.

The recommendation for approval is contingent upon the execution and recordation of a TIM Fee Offset Affordable Housing Agreements restricting the number of units for 20 years.

Should the total recommended TIM Fee Offsets be awarded, approximately \$10 million in potential offsets 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 million allocation for the next year. The TIM Fee 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 2021.

Since implementation of the TIM Fee Offset Program in December 2007, and with approval of the recommendations herein, \$3,125,864 in TIM Fee Offsets have been awarded to support the construction of 270 affordable housing units reserved for very-low- to moderate-income households in El Dorado County. A Program Summary of awards from January 2008 through December 2020 is provided as Attachment B to this item.

ALTERNATIVES

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

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Department of Transportation and Environmental Management

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Approval of this item will award \$1,385,215 in total TIM fee offset funding for the development of 77 low-income apartment units. Approximately \$10 million in potential offsets 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 million allocation for the next year. The TIM Fee 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 TIM Fee Offset Program in December 2007, and with approval of the recommendations herein, \$3,125,864 in TIM Fee Offsets have been awarded to support the construction of 270 affordable housing units reserved for very-low- to moderate-income households in El Dorado County

CLERK OF THE BOARD FOLLOW UP ACTIONS

None.

STRATEGIC PLAN COMPONENT

Good Governance - "Promote the development of resources to identify and pursue additional revenue including local, state, federal and private funding for new and existing projects."

Healthy Communities - "Achieve sufficient and attainable housing for all El Dorado County residents."

Economic Development - "Provide attainable housing options - balance jobs with housing."

CONTACT

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