



## Legislation Text

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Community Development Agency, Long Range Planning Division, recommending the Board, in accordance with Board Policy B-14, Traffic Impact Mitigation Fee Offset for Developments with Affordable Housing Units:

- 1) Make a finding that the Cameron Glen Phase 5 single family residential project in Cameron Park provides significant community benefit by providing housing that is affordable to moderate- income households and approve the recommendation to Award Traffic Impact Mitigation Fee Offset totaling \$221,250;
- 2) Make a finding that the Diamond Springs Village multifamily residential project in Diamond Springs provides significant community benefit by providing housing that is affordable to very low- and low-income households and approve the recommendation to Award a Traffic Impact Mitigation Fee Offsets totaling \$1,463,200; and
- 3) Authorize the Community Development Agency Interim Director, or successor, to execute all documents associated with the Traffic Impact Mitigation Fee Offset Program.

**FUNDING:** Traffic Impact Mitigation Fees.

### **DEPARTMENT RECOMMENDATION**

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

- 1) Make a finding that the Cameron Glen Phase 5 single family residential project in Cameron Park provides significant community benefit by providing housing that is affordable to moderate- income households and approve the recommendation to Award Traffic Impact Mitigation (TIM) Fee Offset totaling \$211,250;
- 2) Make a finding that the Diamond Springs Village multifamily residential project in Diamond Springs provides significant community benefit by providing housing that is affordable to very low- and low-income households and approve the recommendation to Award a Traffic Impact Mitigation (TIM) Fee Offsets totaling \$1,463,200;
- 3) Authorize the Community Development Agency Interim Director, or successor, to execute all documents associated with the Traffic Impact Mitigation (TIM) Fee Offset Program.

TIM Fee Offset requests for projects with five or more units are brought before the Board of Supervisors to approve or disapprove the recommendation of the Review Committee. The Review Committee may recommend maximum offsets when a project demonstrates a significant community benefit that 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. These goals support development in Community Regions, infill development and increasing the supply of housing affordable to low- to moderate-income households. Additional offset amounts are subject to Board approval.

The Board of Supervisors has approved TIM Fee Offsets for affordable housing projects in excess of the amount prescribed in Policy B-14 TIM Fee Offset tables since 2008. The policy allows Board of

Supervisors approval of additional offsets when projects exceed the criteria under Board Policy B-14 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.

Examples of projects that designated 100 percent of their units affordable to low- to moderate income households previously approved by the Board in excess of the amount prescribed TIM Fee offsets in Policy B-14 are the Leu Multifamily Project (2008), Mercy Sunset Apartments, aka Trailside Apartments (2009), Cambridge Townhomes (2010), Casa Bella Senior Apartments (2012), Skyview Apartments (2012), and Courtyard Manor Apartments (2014).

A recommendation for approval of TIM Fee Offset does not imply approval of the project. Developers must submit projects for approval and permits through El Dorado County Community Development Agency and are subject to provisions of the Zoning Ordinance and General Plan.

### **DISCUSSION / BACKGROUND**

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 twice each year 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.

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.

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 recommends that the Board consider funding the project at the requested 50 percent offset amount of \$221,500 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 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.

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 for the project. 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 and submission of the project to the County on or before July 15, 2017.

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 Board agrees 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 total 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.

## **ALTERNATIVES**

Without approval to award the TIM Fee Offset and the delegation of authority the projects may be infeasible to build and the CAO would continue to execute related documents.

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

## **CAO RECOMMENDATION**

Based on the recommendation of the TIM Fee Offset Committee, the CAO recommends that the Board find that that the Cameron Glen Phase 5 project and the Diamond Springs Village project provide significant community benefit by providing housing that is affordable to very low-, low-, and moderate-income households; approve and award Traffic Impact Mitigation (TIM) Fee Offsets totaling \$1,684,450; authorize the Community Development Agency Interim Director, or successor, to execute all associated documents for the program.

## **FINANCIAL IMPACT**

There is no impact to Net County Cost for the offset of this TIM fee. After the award of the Offsets,

there would be \$7.2 million remaining in the TIM Fee Offset program to assist future affordable housing projects.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT**

Economic Development - Housing

**CONTACT**

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