



## Legislation Text

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**File #:** 24-0733, **Version:** 1

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Planning and Building Department, Planning Division, Long Range Planning, 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 Haven Apartments 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 \$1,086,784.00 (per current TIF Program Fee schedule, but subject to change with each TIF Program Fee schedule update) to offset 100% of 64 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 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 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 March 23, 2021 (File No. 21-0239, Item No. 18), the Board awarded El Dorado Haven a TIF Offset for \$891,475. 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 Haven Apartments consisting of 65 units.

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 Haven Apartments

##### El Dorado Haven

The developer, Mercy Housing California is proposing El Dorado Haven Apartments as a 65-unit multi-family development located at 6500 Pleasant Valley Rd, parcel number 331-301-171 in unincorporated El Dorado County. The 4.66-acre site is east of Highway 49 and approximately 380 feet south of the Snowline Hospice administrative building. There will be five apartment buildings dispersing 1-, 2-, and 3-bedroom units throughout each two- and three-story building. Various low-income levels will be served, ranging from 20% to 70% of 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 project was approved and entitled with 100 percent of the unit's deed restricted to very low to low-income households. There is one Manager's Unit that is not income restricted.

The total project costs are approximately \$42,472,562. 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. No Place Like Home funds that will be managed by El Dorado County's Health and Human Services Department.

TIF offsets are requested for 64 very low and extremely low-income units (Zone B rate of \$16,981 per unit - subject to change with TIF updates) of approximately \$1,086,784.00.

The Review Committee requests that the Chief Administrative Officer recommend Board approval of the Offset for the project at the requested amount of \$1,086,784 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 Haven Apartments 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 \$1,068,784.

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, \$6,865,419.25 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 \$1,086,784.00 in Traffic Impact Fees for the development of 64 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, \$6,865,419.25 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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