



## Legislation Details (With Text)

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**File created:** 12/2/2013      **In control:** Board of Supervisors

**On agenda:** 12/17/2013      **Final action:** 12/17/2013

**Title:** Community Development Agency, Long Range Planning Division, recommending the Board consider the following:

- 1) Adopt the Board Policy B-14 as amended to allow ongoing review and approval of applications for TIM fee offset to eligible secondary dwellings;
- 2) Approve the Board Policy B-14 Procedure Manual as amended to reflect revised secondary dwelling TIM fee offset procedures; and
- 3) Advise staff on preferred options to be studied to provide additional incentives to encourage the development of secondary dwellings.

**FUNDING:** Federal and State transportation revenues.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A TIM Fee SDU Draft Policy B14 Draft red line 12/17/13, 2. B TIM Fee SDU Draft Policy B14 Draft 12/17/13, 3. C TIM Fee Offset Program Procedure Manual Draft red line 12/17/13, 4. D TIM Fee Offset Program Procedure Manual Draft 12/17/13

Date	Ver.	Action By	Action	Result
12/17/2013	1	Board of Supervisors	Approved	Pass

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- 3) Advise staff on preferred options to be studied to provide additional incentives to encourage the development of secondary dwellings.

**FUNDING:** Federal and State transportation revenues.

**Fiscal Impact/Change to Net County Cost:** No change.

**Background:**

On August 22, 2006, the Board of Supervisors adopted Resolution No. 266-2006 establishing a Traffic Impact Mitigation (TIM) Fee Program as proposed by the Transportation Division as part of the process to implement Measure TC-B of the General Plan. The TIM Fee Program includes a provision to allow for a TIM fee reduction for qualified affordable housing, providing up to \$1 million in federal and state transportation revenues per year for twenty years.

In December 2007 the Board of Supervisors approved Board Policy B-14, Traffic Impact Mitigation (TIM) Fee Offset Program for Developments with Affordable Housing Units, authorizing \$1.0 million

annually to reduce fees for eligible affordable housing units through the TIM Fee Offset Program. This Program is available to developers of affordable new construction projects with five or more rental or for-sale units and to homeowners building a secondary dwelling on their property where one of the units is owner-occupied. Affordable units must be occupied by income eligible individuals or families. Since 2007, the Board has approved \$2,229,060 in TIM fee offsets assisting 143 affordable units under this Policy. Participation in the TIM Fee Offset Program is voluntary.

### **Reason for Recommendation:**

The County recognizes that secondary dwellings are an affordable housing option for lower-income adults and families. Staff is recommending that TIM Fee Offset Program applications for secondary dwellings be accepted throughout the year and be subject to the approval of the Chief Administrative Officer. Removing barriers for homeowners wishing to add a secondary dwelling provides the affordable housing stock the County seeks to provide while preserving the rural culture of our neighborhoods.

On March 26, 2013, the Board received a presentation by the Divide Rural Communities Recovery Collaboration on their efforts to help improve the economy for local builders and contractors (Legistar item 13-0314, Agenda item #23). As a result of that discussion, the Board directed staff to examine the possibility of accepting applications (for the TIM Fee Offset Program) over the counter for secondary dwellings at any time and to simplify the process.

No changes are proposed at this time to the bi-annual application process for developments with five or more units as outlined in the current policy.

### **Proposed Policy Revisions:**

Staff recommends Board Policy B-14 be amended to allow an ongoing application process for secondary dwellings to provide additional opportunities for applicants to take advantage of the program. The current Policy restricts application review to twice each year and provides for a TIM fee offset of 50 percent to 100 percent for a homeowner building a secondary dwelling depending on the length of time the unit remains affordable.

Participation in the TIM Fee Offset Program is voluntary and ensures that second units are safe and habitable by requiring compliance with standards based on tenant health and safety and appropriate for residential structures. These standards include conformance with the Uniform Housing Code, compliance with fire safety standards, provision of adequate potable water and sanitary sewer or septic system capacity, and conformance with floodplain management standards.

Property owners approved for the TIM Fee offset are required to enter into an Affordable Housing Agreement with the County that would deed restrict the usage of the secondary dwelling for the length of time required by the offset for affordability requirements, household income levels and the approved rent calculation.

### **Proposed Program Procedure Revisions:**

With Board approval of recommended Policy revisions, the proposed TIM Fee Offset Program Procedure Manual revisions include separating the process for secondary dwelling applications from the process for developments of five or more units to allow for accepting secondary dwelling application year-round. Revisions also include proposed changes to the application processes for secondary dwellings to allow approval or denial for TIM Fee offsets by the Chief Administrative Officer based on provisions set forth in Policy B-14. In addition, the Procedure Manual details the

composition of the Advisory Committee for multi-unit applications, outlines program requirements and ties the definition of secondary dwellings to the County Zoning Ordinance Update, Section 17.40.300: Secondary Dwellings.

### **Secondary Dwelling Incentive Programs:**

In addition to consideration of amendments to Policy B-14, staff is requesting direction from the Board to study options to provide additional incentives to encourage the development of secondary dwellings. Incentives previously identified by the Board including the potential of an amnesty program for building permits on secondary dwellings, building permits fee offset incentives for secondary dwellings, specific targeted incentives such as expanded floor area, reduced parking requirements, pre-approved sample floor plans, reduced affordability periods, and /or related fee deferral programs.

### **Secondary Dwelling Amnesty Program Incentive:**

Many unpermitted secondary dwellings are discovered through complaints from the general public as well as from County inspectors that may be on site to inspect other unrelated work. Improvements are also discovered when the property is placed for sale on the real estate market and violations are disclosed, or discovered, during a sale that work was conducted without benefit of permit.

An amnesty program would be aimed at protecting public health, homeowner safety, and the environment by encouraging property owners to complete the County's permit process which ensures that construction and grading activity meet acceptable building standards (this includes plumbing, electrical, fire and other building related safety codes).

An amnesty program could consider a waiver of penalties or fines for unpermitted secondary dwellings that are brought up to legal building standards and County code through the permit process as long as the property owner applies for the permit under the amnesty program and completes all required inspections for the final permit. The permit fees would remain subject to the same requirements as any other permit, except that the double permit fee and other Code Enforcement fees associated with "after-the-fact" permitting for a secondary dwelling on owner-occupied property may be temporarily eliminated.

### **Action to be taken following Board approval:**

- 1) Working with the County Housing, Community and Economic Development Programs, staff will develop marketing materials to inform homeowners of a year-round application process for eligible secondary dwellings.
- 2) With Board direction, staff will work with the Transportation Division and with the Housing, Community and Economic Development Programs to explore incentive programs for secondary dwellings on owner-occupied property and return to the Board with options and recommendations.

Contact:

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Chief Administrative Office

### **Concurrences:**

County Counsel