330 Fair Lane, Building A
Placerville, California
530 621-5390
FAX 622-3645
www.edcgov.us/bos/

County of El Dorado

Legislation Details (With Text)

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On agenda:	6/8/2021	**Final action:**	6/8/2021
Title:	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 Fee Offset Program for Developments with Affordable Housing Units, recommending the Board: 1) Find that the El Dorado Senior Apartments project, Phase 1 and Phase 2 provide significant community benefit by providing housing that is affordable to very-low, low- and moderate-income senior households; 2) Make a conditional award of a Traffic Impact Fee Offset totaling $932,144 ($493,740 for Phase 1 and $481, 712 Phase 2); 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.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. A - Recommendation Memo to CAO, 2. B - TIM Fee Offset Summary May 2021		

Date	Ver.	Action By	Action	Result
6/8/2021	1	Board of Supervisors	Approved	Pass

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 Fee Offset Program for Developments with Affordable Housing Units, recommending the Board:
1) Find that the El Dorado Senior Apartments project, Phase 1 and Phase 2 provide significant community benefit by providing housing that is affordable to very-low, low- and moderate-income senior households;
2) Make a conditional award of a Traffic Impact Fee Offset totaling $932,144 ($493,740 for Phase 1 and $481, 712 Phase 2); 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 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 TIM Fee Offset have an opportunity to submit applications subject to review by the TIM Fee 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).

The program accepts applications each year in January and July for projects with five or more units. The application period for Round 28 applications is July with award considerations by the Board in August or September. This accommodation for a mid-round consideration is due to funding deadlines for state and federal grants that occur prior to the next standard round for applications. Traffic Impact Fee offsets provide an additional advantage for applicants when competing for development funding.

In an effort to fulfill both the TIM Fee Offset Program and Housing Element implementation program objectives, 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 a traffic impact 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.

PROJECT APPLICATION: El Dorado Senior Apartments

On August 27, 2020, the project was approved by the Planning Commission (Project DR 20-0001, Agenda Item No. 3, Legistar No. 20-1033) consistent with Senate Bill (SB) 35 Streamlined Ministerial Approval of Affordable Housing Process with 50 percent of the total 149 units restricted to low-income seniors. The project is pending a change in ownership and the new developer is in the process of preparing an application to the Building and Planning Department for a modification to the entitled project consistent with SB 35. The modifications include, but are not limited to, modifying the project to develop 100 percent of the total 149 units as affordable rental housing deed-restricted to lower-income seniors and splitting the parcel to fund and construct the development in two phases. The project is 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 proposed parcel split and Phase II consists of 77 units on the remaining portion of the parcel.

The project is located in TIF Zone B, Supervisorial District 3 (Wendy Thomas), Proposed funding for this project will come from sources such as the California Tax Credit allocation Committee, California

Debt Limit Allocation Committee, California State Department of Housing and Community Development, each with provisions for a 55-year deed-restriction for affordability.

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

Phase I: 72 deed-restricted units for low-income seniors 56 one-bedroom units and 16 two-bedroom units $450,432 ($6,256 per unit - Zone B multifamily age-restricted). The applicant has requested an offset of $450,432, 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: 77 deed-restricted units for low-income seniors 52 one-bedroom units and 24 two-bedroom units $481,712 ($6,256 per unit - Zone B multifamily-age restricted). The applicant has requested an offset of $481,712, 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 $932,144.

The Review Committee requests that the Chief Administrative Officer recommend that the Board award conditional approval of the Offset for the project at the requested amount totaling up to $932,144 contingent upon approval of the project modifications, execution and recordation of TIM Fee Offset Affordable Housing Agreement for 55-year affordability, and that the Board acknowledge 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.

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 Project is in close proximity to public transit, medical services (Marshall Hospital), and future commercial and retail centers that could provide additional job opportunities.

Should the total recommended traffic impact fee offset of $932,144 be awarded, approximately $9,556,777 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 regular 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, the Board will have awarded $5,443,223 in traffic impact fee offsets to support the construction of 419 affordable housing units reserved for very-low- to moderate-income households in El Dorado County. Attachment B to this item contains a Program Summary of awards since January 2008.

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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 $932,144 in Traffic Impact Fees for the development of 149 low-income apartment units. Approximately $9,556,777 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.

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
Rob Peters
Deputy Director of Planning
Planning and Building Department