



Legislation Text

File #: 20-1316, **Version:** 1

Chief Administrative Office and the Planning and Building Department, 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 Diamond Village Apartments project provides significant community benefit by providing housing that is affordable to very-low, low- and moderate-income households;
- 2) Award a TIM Fee Offset totaling \$1,065,474; 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 sets aside \$1 million of federal and state transportation revenues annually to be used to offset TIM fees for the development of affordable housing.

Developers of new affordable housing 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 Diamond Village Apartments (Project) was submitted for recertification of an award previously approved by the Board of Supervisors on February 14, 2017, which after two extensions is set to expire February 14, 2021. In the event that the start of construction is delayed beyond February 14, 2021, the developer submitted a new application to ensure the TIM Fee offset is in place for existing and future state and federal financing purposes. The Diamond Village Apartments project received entitlements from the Planning Commission in September 2019, and plans to start construction in Spring 2021.

The Project is an affordable 81-unit workforce housing multi-family rental development located at 6035 Service Drive in Diamond Springs to the south of Black Rice Road and north of Pleasant Valley Road and consists of 10.7 acres (Assessor's Parcel Number 051-461-059) (TIM Fee Zone 3, Supervisorial District 3). The property is appropriately zoned Multi-Family Residential. The Project consists of 81 one-, two-, and three-bedroom apartments, 48 very-low income, 32 low-income, and one moderate-income unit reserved for an on-site property manager.

The Committee recommended to the CAO that the Board approve a TIM Fee Offset for the Project at the requested 100 percent offset amount of \$1,065,474 with the knowledge that the Project assists the County in meeting several additional goals and objectives of the General Plan, as detailed in the Memorandum of Recommendation (Attachment A). The Offset total is based on the TIM fees effective August 24, 2020. The Project exceeds the minimum threshold criteria under Board Policy B-14.

The recommendation for approval is contingent upon the execution and recordation of a TIM Fee Offset Affordable Housing Agreement restricting the number of units for 55 years.

ALTERNATIVES

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

PRIOR BOARD ACTION

On December 11, 2007, the Board of Supervisors adopted Board Policy B-14 (Item 56, Legistar File 07-1822).

On February 14, 2017, the Board approved a TIM Fee Offset award for the Diamond Springs Village Apartments (now known as the Diamond Village Apartments) for an amount of up to \$1,463,200 (Item 14, Legistar File 12-1163v5).

OTHER DEPARTMENT / AGENCY INVOLVEMENT

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.

CAO RECOMMENDATION / COMMENTS

Policy B-14 requires that the CAO provide a recommendation to the Board of Supervisors for developments with five (5) or more units. Given the Committee's conclusions that the fee offsets would provide a significant community benefit by allowing for the development of affordable housing, and that the project supports several goals set forth in the General Plan, the CAO concurs with the Committee's recommendation. It is recommended that the Board approve this item.

FINANCIAL IMPACT

Approval of this item will award \$1,065,474 in total TIM fee offset funding for the development of 48 very low-income, 32 low-income, and one moderate-income apartment units. Should the total recommended TIM Fee Offsets be awarded, \$10,874,136 would remain in the TIM Fee Offset Program to be awarded to future affordable housing projects. Any balance remaining at the end of the year is carried forward and added to the \$1 million allocation for the next year. The TIM Fee Offset Program allows for a reduction of TIM fees through federal and State transportation revenues and is not a cash subsidy.

Since implementation of the TIM Fee Offset Program in December 2007, to date, \$2,060,390 in TIM Fee Offsets have been awarded to support the construction of 88 affordable housing units. A Program Summary of awards from January 2008 through July 2020 is provided as Attachment B to this item.

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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