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Sent: Tuesday, October 27, 2020 10:24 AM

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Subject: News Release: New fee program aimed at boosting affordable housing in Placer County



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For Immediate Release: Oct. 27, 2020

New fee program aimed at boosting affordable housing in Placer County

KINGS BEACH, Calif. -- Facing escalating housing affordability challenges, the Placer County Board of Supervisors today adopted a new affordable housing inclusionary requirement and fee program to help advance Placer's affordable housing initiatives.

The county's new affordable housing ordinance establishes a requirement on private housing development for 10% of the development's units to be in the affordable range and an in-lieu fee option for fulfilling that requirement. It also establishes a new employee accommodation fee for non-residential development in the Sierra Nevada and Lake Tahoe areas.

The ordinance takes effect Jan. 1, 2021.

The board previously adopted a resolution approving the studies that informed the fee amounts and establishing the fee schedules for both the in-lieu fee and the employee accommodation fee.

The vote follows nearly two years of collaboration on the new regulatory framework with local development stakeholders and housing advocates who make up the county's housing stakeholder group, formed in January 2019.

"We need more affordable housing in our community and we're glad our stakeholders have come together to provide input and direction on this issue," said Board Chair and District 1 Supervisor Bonnie Gore. "We will continue to work with them and leverage state and other available dollars to get housing built. We know the demand is here and we are working to overcome the challenges on both ends of our county."

The updated ordinance would require residential developments countywide larger than 100 units to make 10% of those units affordable. Developments with between eight and 100 units would have the option to instead pay an in-lieu fee of \$2 per square foot of building area.

Residential projects with seven units or less and developments in an 'infill' area or near major public transit stops would be exempt from the inclusionary requirements.

Though there are affordable housing obligations in place in eastern Placer County, the employee accommodation fee for non-residential uses in the Sierra Nevada and Lake Tahoe areas is new for Placer but used in many other jurisdictions in the state. It is intended to address the affordable housing demand from new workers resulting from the construction of non-residential development such as hotels, office space, retail and restaurants.

Revenue generated from affordable housing and employee accommodation fees would be used in a variety of ways related to affordable housing, including supporting the construction of affordable housing development, preserving existing affordable units and acquiring and rehabilitating multifamily projects.

“This is only one piece of a very big puzzle,” said District 5 Supervisor Cindy Gustafson. “This isn’t going to build housing in and of itself. But with the county’s commitment, with our private sector partners and our nonprofits, we should be able to get more housing on the ground and we continue to move that way.”

While in recent years Placer County and its housing partners have succeeded in bringing more affordable housing to the county, as in many other areas in California, progress has lagged behind the need.

Placer’s Regional Housing Needs Assessment, a requirement under state law, calls for 3,258 new housing units for households with very low to moderate incomes between 2013-2021. To date, just 259 have been built. The county’s role in meeting its RHNA obligation is to ensure that enough land is zoned to accommodate those units.

Since the board approved the county’s first-ever housing work plan in 2017, Placer has helped make possible the construction of several new affordable housing developments, streamlined its permitting processes to help accelerate housing construction and supported the formation of a new private housing trust to encourage more private sector support for and investment in affordable housing issues.

The housing work plan for 2021, approved by the board Oct. 6, will focus on promoting infill development and transit mobility; continuing to advance local affordable housing programs and projects; and incentivizing residents to build accessory homes on their properties – quickly and cost-effectively adding smaller units to the county’s housing stock that are more affordable by virtue of their size and lower construction costs.

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