

# Affordable Housing and Employee Housing Accommodation Ordinance and Fee



## NEW ORDINANCE AND FEE EFFECTIVE JANUARY 1, 2021

On October 27, 2020, the Board of Supervisors adopted a new Affordable Housing and Employee Accommodation Ordinance and Fee which takes effect on January 1, 2021. The purpose of this ordinance is to fulfill Placer County's Housing Element goal of promoting development of affordable housing for households with incomes of 120% or below the median income. In Placer County, this goal may be achieved by requiring inclusion of affordable or employee dwelling units in specified proposed developments.

## ORDINANCE KEY PROVISIONS

- Applies to all new residential private development, and eastern County non-residential (commercial) private developments, including residential mixed-use projects, unless otherwise noted as exempt.
- All new residential development with more than 100 units shall include at least 10% of its units as affordable.
- New residential development of 8 to 100 units may pay the Affordable Housing Fee in-lieu of construction. Payment of the fee is required prior to building permit issuance.
- All new non-residential development in the Sierra Nevada and Lake Tahoe area shall pay an Employee Accommodation Fee prior to building permit issuance.

## FEE IN-LIEU OF CONSTRUCTION

- Affordable Housing Fee is \$2.00 per habitable square foot of each market rate residential unit.
- Employee Accommodation Fee is \$2.00 per net building area square foot.
- Fee to be adjusted annually, effective July 1st of each year.
- Fee to be collected at issuance of building permit.
- Upon approval of a Fund Management Agreement, fees may be paid to Housing Trust Placer to be leveraged with other public private funding for construction of affordable housing.



## HOW WAS THE \$2.00 FEE DETERMINED?

Housing Element Policy allows for certain projects with an affordable or employee housing obligation the option to pay a fee in-lieu of constructing affordable housing requirement. In 2015, Placer County contracted with Hansford Economic Consulting and Mintier Harnish Planning consultants to provide an eastern and western nexus-based Workforce Housing Fee Study.

This study determined the maximum justifiable fee that could be adopted as an impact or in-lieu fee. Placer County considered the maximum justifiable fee and the fees of other jurisdictions like the City of Sacramento, and they also sought the opinion of the public. Taking all these factors into account, the \$2.00 in-lieu fee was decided upon to increase affordable housing in the county while also not impeding upon development projects.

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## Fee Calculation Examples

### Example 1: Affordable Housing Fee for New Residential Development

Number of Units	30
Unit Size	2,800 square feet*
Total Square Footage	30 x 2,800 = 84,000
Fee Assessed	84,000 x \$2.00 = <b>\$168,000</b>

\*Habitable square foot of each market unit

### Example 2: Employee Accommodation Fee for New Non-Residential Development in East Placer County

Size of Development	150,000 square feet*
Fee Assessed	150,000 x \$2.00 = <b>\$300,000</b>

\*Gross square feet non-residential net building area minus existing square feet floor area

## VARIANCE AND WAIVERS

- Ordinance allows applicants to request a Variance or Waiver from the requirements.
- Must demonstrate how development will produce affordable housing at least equivalent to the Affordable Housing Fee.

## HOUSING TRUST FUND

- All fees collected shall be placed in the Placer County Housing Trust Fund to be used for providing affordable and employee housing.
- Housing Trust Fund Guidelines to be updated to provide more flexibility for development of a wide variety of housing types and assistance.
- Options and criteria for funds to be transferred to private housing trust(s).

## EXEMPT PROJECTS

- All residential full-time occupancy projects seven (7) units or less, or residential projects with majority of units are less than 1,600 square feet
- All public projects
- Accessory dwelling units and deed restricted affordable housing
- Rehabilitation of existing residence or conversion of nonresidential to residential
- Single dwelling unit constructed by an owner/builder
- Dormitories, fraternity/sorority houses, boarding housing, residential hotels, single room occupancy units, and live/work units (not considered a permanent dwelling unit)
- Development of an infill site, and warehouse or industrial developments (such as in the Sunset Area)
- Residential project located within a "transit priority area"
- Homeless/emergency shelters, care homes, community care/health care facilities, childcare facilities, churches, mobile home parks
- Residential mixed-use project with at least 70% of the total project floor area is constructed for residential use

**For a detailed list of exempt projects and more information on the new ordinance and fees, visit the webpage on the County's website at:**

**<https://www.placer.ca.gov/Housing>**