

52

Lorraine Barber
6250 Terrace Drive
Pollock Pines, CA 95726

LATE DISTRIBUTION

DATE

6/28/16

BOS 6/28/16

June 28, 2016

Dear Board of Supervisors,

Our family has been living in El Dorado County for over 30 years. My husband and I raised our family here and my grandson will grow up in El Dorado County.

My mother was widowed 2 years ago and recently decided to move closer to family. Yesterday she made a down payment on a new home in the Eskaton Community called Silverado located in Placerville off of Blair Road.

Prop 90 is a major factor in her decision to purchase a new home in El Dorado County. Without Prop 90 moving from Sacramento County to El Dorado County would not be an option for my elderly mother.

Please consider renewing Prop 90 so families can assist their loved ones in their golden years.

Sincerely,



Lorraine Barber

K. Beal BOS 6/28/16 #52

PROPOSITION 90

June 28, 2016

Prepared by Kimberly Beal



EDCAR



EL DORADO COUNTY ASSOCIATION OF REALTORS®

<http://edcar.org>

1 of 8



Prop 90 Approved Applications

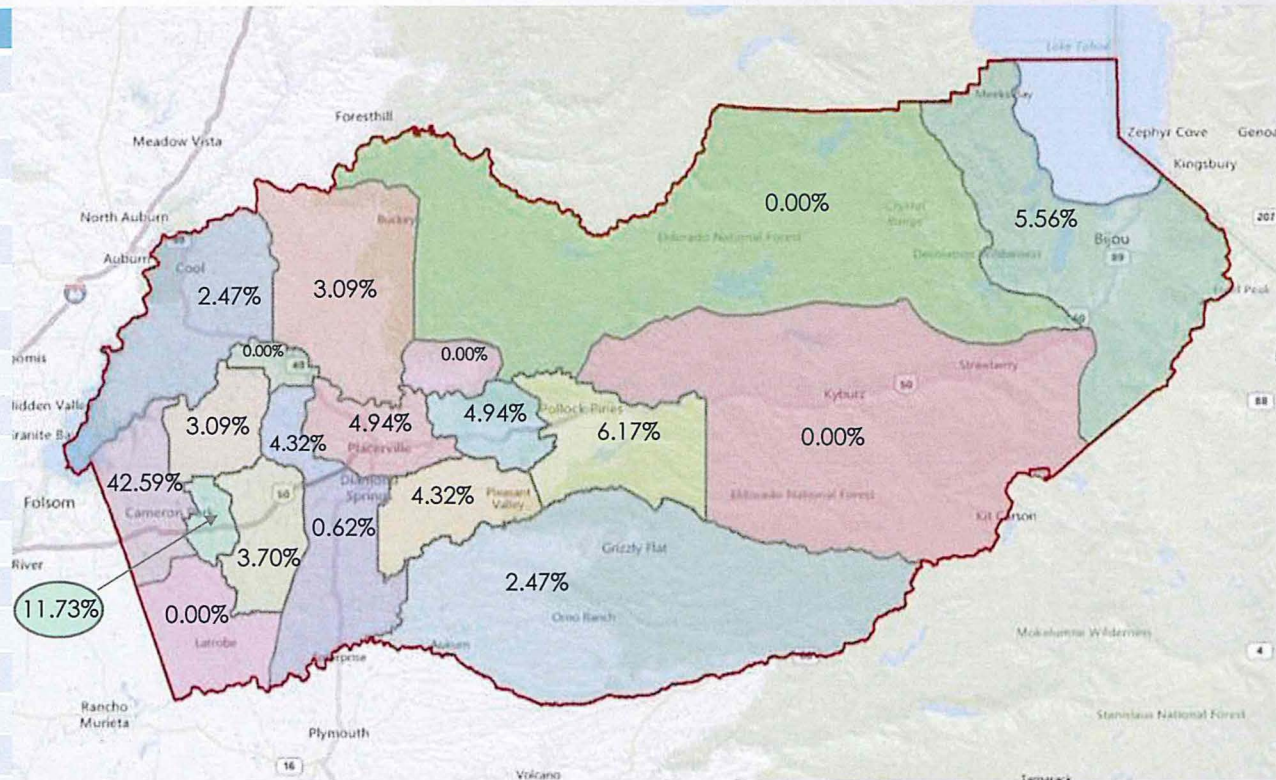
- ▶ On January 27, 2015, EDCAR presented a statistical report of the 242 approved properties for the period of 3/1/10 to 11/25/14, and the results of a survey of Prop 90 Buyers
- ▶ The Assessor provided EDCAR a schedule of 162 properties approved during the period of 11/25/14 to 6/3/16
- ▶ Of these 162 properties, 3 were vacant lot purchases where the Buyer subsequently constructed a home, and 159 were purchases of single family homes
- ▶ Of the 159 home sales:
 - ▶ 143 (90 %) were posted in Metrolist Multiple Listing Service (MLS), covering the western slope of the county
 - ▶ 7 (4.4 %) were tract home sales in El Dorado Hills
 - ▶ 1 (0.6 %) was a private party transaction
 - ▶ 8 (5 %) were homes sold in the South Lake Tahoe area



2 of 8

MLS Area Zones – Location of 162 Homes

MLS Area Zones	No.	%
12601-Greater Cameron Park	19	11.73%
12602-El Dorado Hills	69	42.59%
12603-Shingle Springs	6	3.70%
12604-Rescue/Luneman	5	3.09%
12605-Latrobe/Shingle Springs South	0	0.00%
12701-Greater Placerville	8	4.94%
12702-El Dorado/Diamond Springs	1	0.62%
12703-Pleasant Valley/Placerville South	7	4.32%
12704-Somerset/Mt Aukum/South County	4	2.47%
12705-Coloma/Lotus	0	0.00%
12706-Greenstone/Gold Hill/Placerville West	7	4.32%
12707-Mosquito/Swansboro	0	0.00%
12801-Camino/Cedar Grove	8	4.94%
12802-Pollock Pines	10	6.17%
12803-American River Canyon	0	0.00%
12901-Georgetwn/Garden Vly/Greenwd/Kelsey	5	3.09%
12902-Cool/Pilot Hill	4	2.47%
12903-North Country	0	0.00%
13301-South Lake Tahoe	9	5.56%
Total Prop 90 Properties	162	100.00%



3 of 8



Prop 90 Approved Applications 11/25/14 – 6/3/16

- ▶ For the 159 home sales:
 - ▶ Average purchase price \$578,316
 - ▶ Average size 2,700 SF
 - ▶ Average year built 1997
 - ▶ Average parcel size 0.63 acre
 - ▶ 63% were one story homes



4 of 8

Comparison of Prop 90 Home Sales to MLS Home Sales Dec 2014 to May 2016

Year	Prop 90 Approved Home Purchases **	Prop 90 Average Replacement Sales Price **	Metrolist MLS Number Of Home Sales	Metrolist MLS Average Sales Price	Number of Prop 90 Sales/ MLS Sales
Prior Report	240 **	\$491,691	12,322 ***	\$346,097	1.95%
2014*			206	\$411,912	
2015*			2,670	\$432,616	
2016*			1,051	\$466,054	
Total	159 ***	\$578,316	3,927 ***	\$438,091	4.04%

* 2014 – EDCAR data for December 2014 (prior report encompassed Mar 2010 – Nov 2014)

* 2015 – EDCAR data for calendar year 2015

* 2016 – EDCAR data for January through May 2016

** The year an application was approved may vary from the date the replacement property was purchased

*** Home Sales in the Tahoe basin are outside the coverage area of Metrolist MLS



5 of 8

Survey of Prop 90 Buyers

- ▶ Online Survey, Full Results given to County 1/27/15
- ▶ Summary of Buyer Survey:
 - ▶ 85.37% - Level of Importance given to ability to use Prop 90
 - ▶ Prop 90 & Rural Atmosphere - 2 most important reasons purchased in EDC
 - ▶ Property improvements/repairs of properties included Remodels, New Roof, New HVAC, New Windows, New Flooring, Solar Conversion, General Updating (ie Plumbing & Electrical Fixtures), Landscaping, Built-In Pool Install, and more
 - ▶ Funds spent on improvements/repairs - 29% under \$5,000; 15% \$5-10,000; 27% \$10-\$20,000; 5% \$20-40,000; 24% over \$40,000
 - ▶ 95% - Selected local contractors for improvements/repairs
 - ▶ 90% - Where practical, materials were purchased within the county
 - ▶ 74% Were retired, 26% still in workforce including work from home
 - ▶ 31% Had family and friends that subsequently moved to EDC



6 of 8

Other Information

- Tuolumne County adopted Prop 90 in May 2015, their population is less than El Dorado County's population and is predominantly rural in atmosphere
- Sacramento County introduced Prop 90 at a recent hearing of the Board of Supervisors and will hold a workshop in the near future
- Nevada County Association of Realtors reported in a letter dated 6/11/16 that they have lost Buyers to EDC due to Prop 90, and will soon make a formal request to the Nevada County Board of Supervisors to adopt Prop 90
- Over the course of the last decade the average price of homes in El Dorado County peaked at \$578,118 in July 2006, and fell to their lowest at \$274,343 in October 2011. While prices are currently increasing there will be another recession and property values will again decline.
- Surveyed listing agents of homes sold Nov 2014 to June 2016, learned 36.4% of Sellers purchased another home within the county, 18.2% moved outside the county, and 45.5% were other situations (ie Seller passed away, Seller moved in with family or to a rental property, the property had been a rental home of the Sellers, etc)
- 75% of homes purchased 3/1/10 – 11/25/14 were within the Hwy 50 corridor west of Placerville
- 65% of homes purchased 11/25/14 – 6/3/16 were within the Hwy 50 corridor
- 42.59% of home sales for current period were located in El Dorado Hills, down from 50% reported in the prior period
- Approximately 75 building permits were issued to Buyers of Prop 90 parcels, or 18.6%. Many types of improvements or repairs to properties do not require a building permit.



7 of 8

Summary and Conclusions

- ▶ The 162 Home Sales for the period of 11/25/14 – 6/3/16 represent 4.04% of the home sales reported in MLS
- ▶ The average Prop 90 sales price of \$578,316 is much greater than the \$438,091 average price of all home sales. The majority of Prop 90 Buyers are not depleting the inventory of homes needed for young families earning moderate incomes.
- ▶ Most first time home Buyers and Buyers with young families do not have the financial resources to improve their properties within the first few years of owning their home
- ▶ Prop 90 Buyers stimulated the local economy by improving their properties in a variety of ways, with over half spending more than \$10,000 in improvements. And Prop 90 Buyers spent their money overwhelmingly in our local community.
- ▶ 32% of the Prop 90 Buyers have stimulated family and friends to move to El Dorado County
- ▶ The El Dorado County Association of Realtors believes Prop 90 gives the county an economically competitive edge in the marketplace and is good for the local economy. We encourage you to extend Prop 90 beyond 9/30/16.



8 of 8

L. PARLIN PUBLIC COMMENT
6/28/16 ITEM 52

Lost Revenues Due to Prop 90

(does not account for annual 2% change of assessed value)

		Cumulative Annual Discount Per Year											
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Discount Granted Each Year	2010	29	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	\$ 85,336	
	2011	49		\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	\$ 137,975	
	2012	53			\$ 137,009	\$ 137,009	\$ 137,009	\$ 137,009	\$ 137,009	\$ 137,009	\$ 137,009	\$ 137,009	
	2013	60				\$ 172,942	\$ 172,942	\$ 172,942	\$ 172,942	\$ 172,942	\$ 172,942	\$ 172,942	
	2014	49					\$ 257,873	\$ 257,873	\$ 257,873	\$ 257,873	\$ 257,873	\$ 257,873	
	2015	124						\$ 398,038	\$ 398,038	\$ 398,038	\$ 398,038	\$ 398,038	
	2016								\$ 455,400	\$ 455,400	\$ 455,400	\$ 455,400	
	2017									\$ 523,708	\$ 523,708	\$ 523,708	
	2018										\$ 602,264	\$ 602,264	
	2019											\$ 696,604	
	2020												\$ 796,496
Annual Total			\$ 85,336	\$ 223,311	\$ 360,320	\$ 533,262	\$ 791,135	\$ 1,189,173	\$ 1,644,573	\$ 2,168,281	\$ 2,770,545	\$ 3,467,149	\$ 4,263,645

6-year total lost revenue = **\$3,182,537**

Projected total lost revenue through 2020 = **\$17,496,730**

All values derived from County records

El Dorado County
Lost Revenues due to Prop 90

(does not account for annual 2% change of assessed value)

Year	# Houses	Average Base Year Discount	Discount Per House at 1% Property Tax Rate	Total Discount Granted Each Year	Cumulative ANNUAL Lost Revenue
2010	29	\$294,000	\$2,940	\$85,336	\$85,336
2011	49	\$281,000	\$2,810	\$137,975	\$223,311
2012	53	\$258,000	\$2,580	\$137,009	\$360,320
2013	60	\$288,236	\$2,882	\$172,942	\$533,262
2014	88	\$293,034	\$2,930	\$257,873	\$791,135
2015	124	\$272,254	\$2,723	\$398,038	\$1,189,173
Total Houses	403				
Total property tax revenue lost since inception of program *					\$3,182,537

* Values derived from County records

Questions:

Were all affected agencies notified?

How is the lost revenue allocated?

PUBLIC COMMENT S. FERRY
#52 6/28/16

BY ANITA CHABRIA
achabria@sacbee.com

Council OKs \$10 million for tech entrepreneurs

City plan will offer \$1 million yearly to local companies

A \$10 million fund that will award grants to local technology entrepreneurs won final approval Tuesday night from the Sacramento City Council, giving Mayor Kevin Johnson a key piece of his agenda to boost the city's high-tech sector in his final year.

"That was huge," Johnson said after council members approved the plan.

The Innovation and Growth Fund, a project of the Mayor's Office of Innovation, will offer \$1 million annually to local programs that help young tech companies through leadership training, work-share spaces and other support. It will also examine the potential of investing in local and national venture capital funds, according to Abhi Nemani, Sacramento's chief innovation officer

and head of the project. Some of the funding may be awarded as soon as August, Nemani said.

The fund began as a traditional economic development program in 2013 using redevelopment money from local property taxes after the statewide dissolution of redevelopment agencies.

In 2014, the City Council dedicated other revenue to that pot, including proceeds from the sale of city-owned lands. The fund was tagged with its new name during last year's budget deliberations at the behest of Johnson, who has

spoken frequently about expanding the city's economic base.

The fund generates about \$2 million annually and will use about that amount every year, Nemani said. That includes \$500,000 the economic development department can use to lure technology companies to move or expand in the area. An additional \$450,000 is allotted to the Office of Innovation, housed within the mayor's office, for salaries and other costs — including hiring a full-time person to replace Nemani when his contract

expires in December and a program manager who was hired last month.

An additional \$150,000 is reserved for the purchase or development of technology to aid the city in streamlining its own business in areas such as planning and permitting — another key focus of the mayor's economic agenda.

The remaining \$1 million will be paid out to local projects and companies with strategies that could promote a tech ecosystem to draw and nurture other investment, Nemani said.

The city will begin ac-

cepting applications for those Rapid Acceleration, Innovation, and Leadership in Sacramento grants Wednesday via its website. Applications will be accepted for 30 days, then reviewed by a panel of city personnel and local business leaders, still to be named.

Nemani said it was important to have successful entrepreneurs participate in the process to gain private sector insight.

The program isn't looking for scratch ideas but instead will give money to existing local endeavors that already have some

funding and a track record. Applicants can request larger amounts, but Nemani said the goal is to award a range of smaller grants to enhance the program's success.

The City Council will have final say over innovation funds and likely will choose the inaugural group of seven to 15 winners in August, Nemani said. He plans to present a package of grantees, rather than asking the council to debate on individual applicants.

Approval was unanimous, but two council members, Jay Schenirer and Eric Guerra, said they had concerns about whether the plan does enough to establish career paths for young people in Sacramento.

"We are trying to make sure we are creating opportunities ... for (people) here," Schenirer said.

Anita Chabria:
916-321-1049, @chabriaa