



May 17, 2018

Ms. Michael Ranalli
Chair, El Dorado County Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Dear Chair Ranalli,

This updated letter outlines the North State Building Industry Association's remaining concerns about the proposed El Dorado Hills Community Services District park fee increases, and reflects analysis from the CSD that we have just recently become aware of. This is an issue that we have been working on with the CSD for more than a year. While we appreciate their willingness to address a number of the issues we have raised, substantive concerns remain. We respectfully recommend and ask that these issues be resolved before a final decision is made at the Board of Supervisors regarding the park impact fee.

Currently, the El Dorado Hills CSD has one of the highest park fees in the region at \$9,806 per home, compared to the regional average of \$6,334. (See chart below)

The CSD is now proposing a 20% increase to \$11,718 for every new single-family home. Their plan also calls for new residents to pay a much higher portion of the cost of constructing new facilities and maintaining existing facilities compared to what current residents pay and compared to what others pay throughout the region. The following are some specific concerns about the costs associated with the newly proposed \$11,718 fee.

- The CSD's per acre construction costs of \$684,525 are 20% to 50% higher than neighboring jurisdictions currently engaged in building new parks. For comparison, Folsom South of 50 sets costs at \$446,261 for a neighborhood park and \$573,130 for a community park. The CSD has not demonstrated a need for their higher numbers.
- The CSD notes that its most recent park, constructed just three years ago, actually cost \$598,000. Their analysis indicates that increased construction costs and "unaccounted costs" requires the nearly \$100,000 per acre increase in construction costs. We contend that overpaying for previous parks and including "unaccounted costs" in the estimate do not justify this increase.
- The CSD asserts that their proposed park fees are a smaller percentage of the total cost of home construction compared to others in the region, but this is not a legally defensible reason to adjust rates as the cost of the homes in El Dorado County have no bearing on the cost to construct or maintain the parks facilities this fee supports.

North State Building Industry Association
(916) 677-5717

We also fear that new residents in future projects are being asked to pay for more than their share of facilities. Simply put, new residents represent only 23% of the total population at buildout, but by the CSD's own admission they are being asked to pay 34% of the cost of the proposed Multi-Generational Facility. This results in nearly a \$3 million overcharge, or \$9 million instead of \$6.1 million. Similarly, new residents are being asked to pay 46% of the new Aquatic Center. This results in a \$2 million overcharge, or \$3.9 million instead of \$1.9 million. The CSD points out that their Master Plan has many avenues to resolve funding shortfalls, but does not indicate which approach will, or even might be taken. Our goal is to ensure that future home prices are not increased for parks that do not materialize.

Finally, we share Chief Administrative Officer Ashton's concerns that this fee increase will hurt the County's ability to meet its RHNA quota. If the State believes the County is not taking steps to meet these goals, it could suspend the County's land use authority, impacting our members' and your constituents' ability to build and live in a community consistent with the beautiful vision we have realized together so far.

Thank you for taking the time to carefully consider our position on this important issue. We look forward to continuing our positive, collaborative relationship with the CSD, the County, and our membership to keep El Dorado County a highly desirable place to live.

Sincerely,



Chris Norem
Director of Governmental & Political Affairs
North State Building Industry Association

Cc: Supervisors Hidahl, Frentzen, Veerkamp, Novasel

Regional Single Family Residential Park Fees/Unit

