# ANNUAL REPORT FOR OAK WOODLANDS FUNDS

| | |
|---|---|
| **Fund or Account No.:** | **3770755, 3770756, and 3770759** |

## Description of Development Impact Fees

*Gov. Code § 66006(b)(1)(A)*

The Oak Woodland Conservation fee set out in the Oak Resources Management Plan (ORMP) has been collected since establishment in 2008 through implementing Ordinances 4771 (2008) and 5061 (2017) for the purpose of protection of oak woodlands and establishment of development project mitigation standards for oak tree removal. The fee is collected at time of issuance of building permits or grading permits and is used to acquire, monitor and maintain preserved oak woodlands. The map in Figure 2 from the ORMP identifies the Priority Conservation Areas of the ORMP. The fees are only collected on permits that remove oak resources, including oak woodland and individual native oak trees, with certain exceptions in the Ordinance for: existing single-family parcels of one acre or less that cannot be further subdivided, affordable housing, defensible space, agricultural cultivation, public road and utility projects, emergency operations, CalFire permitted timber harvest plans, dead/dying/diseased oak trees and limited removal of specified oak species for personal use.

In general, the fee is based on a parcel-specific determination of both the number and type of oak resources impacted by a specific development (e.g., impacts to oak woodland and/or impacts to individual native oak trees). Fee payment for impacts to oak woodlands is based on the percent of on-site oak woodlands impacted by proposed development as shown on Table 3 below.

**Table 3 (ORMP)**
**Oak Woodland Mitigation Ratios**

| Percent of Oak Woodland Impact | Oak Woodland Mitigation Ratio |
|---|---|
| 0-50% | 1:1 |
| 50.1-75% | 1.5:1 |
| 75.1-100% | 2:1 |

Fee payment for development impacts to individual native oak trees (including individual Heritage Trees or Valley Oak trees as defined in Ordinance 5061) is based on the total cost per inch as shown on Table 6 of the ORMP as shown below.

**Table 6 (ORMP)**
**Individual Oak Tree In-Lieu Fee**

| Activity | Cost Per Inch |
|---|---|
| Acquisition and Planting | $31.90 |
| Initial Management & Monitoring (Years 1-7) | $113.40 |
| Administration (5%) | $7.27 |
| Total Cost per Inch (non-Heritage Trees) (rounded to nearest whole dollar) | $153 |
| Total Cost Per Inch (Heritage Trees - 311 Ratio) | $459 |

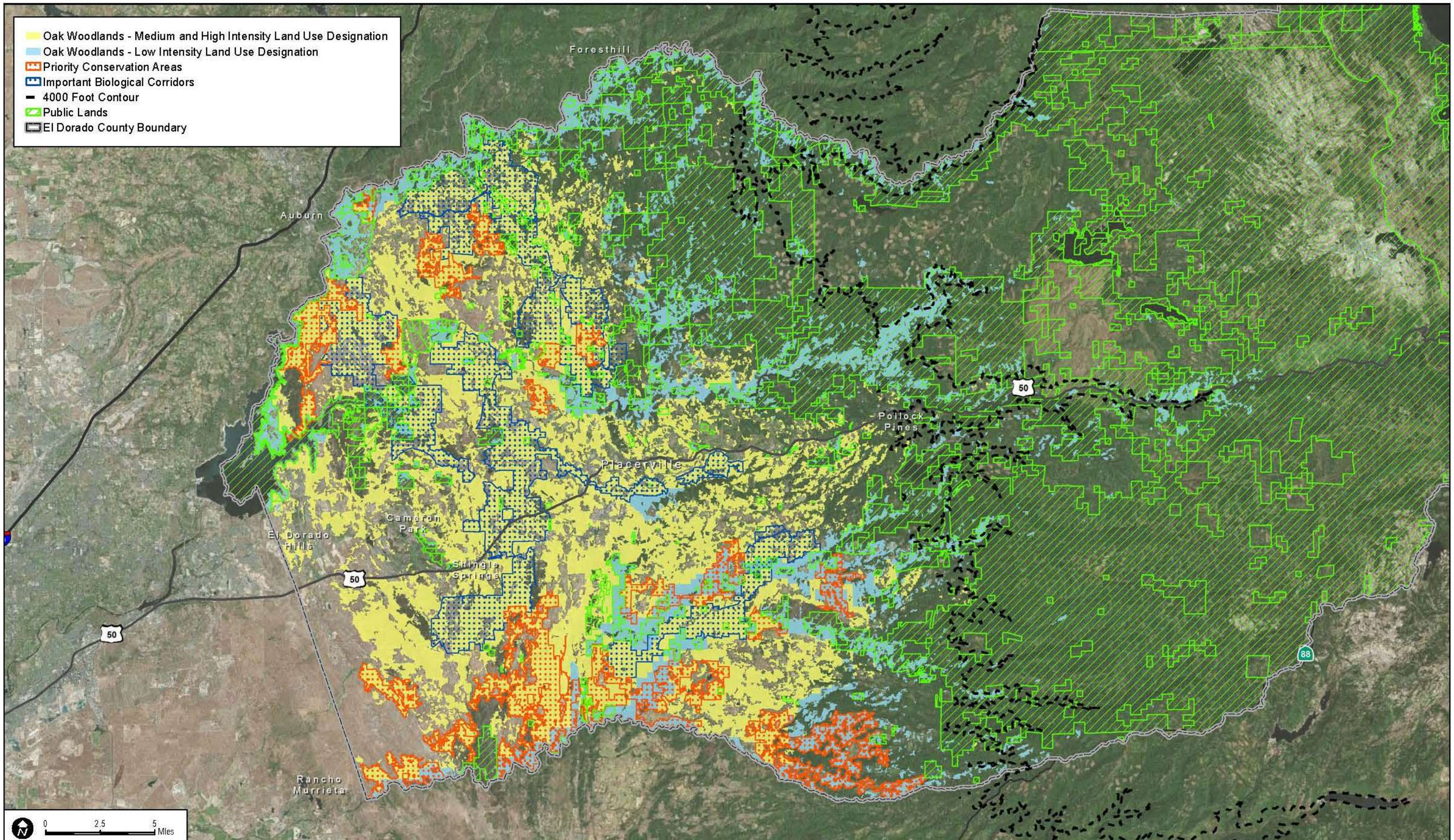
*Source: New Economics & Advisory Oak Resource In-Lieu Fee Nexus Study (June 2016)*

The amount of the fee is based on an estimate of land values, both easement and in fee title, acquisitions for oak woodland, long and short-term management of the acquisitions, and monitoring. The fee is based on a land price of $8,285 per acre.

Fees are deposited into the Oak Woodland Conservation fund (Account 3770755).

On December 13, 2022, the Board approved the Compromise Settlement Conservation Agreement and Release (Agreement) between the American River Conservancy and the County of El Dorado. This agreement, in conjunction with Resolution 130-2017, outlines a one-time transfer of $250,000 to a set-aside account for conservation acquisitions authorized by the Agreement. This set-aside transfer was executed into account 3770756 that year. Furthermore, the Agreement authorizes that 20% of total fees collected under the ORMP be transferred for the period of July 1, 2021 to June 30, 2035.

Additionally, the County takes responsibility as administrator. A 5% administrative fee is included to help with the costs associated with the tasks. This account is held separately, keeping the revenues and costs associated with administering the fund more transparent. Segregating the 5% in its own fund ensures that the funds are only utilized for which they are intended. According to the Resolution, the 5% admin fee responsibilities include, “calculate, collect and deposit fees, transfer revenues to managing conservation efforts, implement annual inflation updates, update the Nexus study, prepare reports and track location of IOTs planted using GIS.”
The 5% admin fee is allocated quarterly to fund 3770759.

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SOURCE: Bing Maps 2014; FRAP 2006; El Dorado County 2014

FIGURE 2

**Priority Conservation Areas, Oak Woodlands, and Public Lands in El Dorado County**

Draft Oak Resources Management Plan

## Amount of Fee

*Gov. Code § 66006(b)(1)(B)*

**Oak Woodland Conservation Fee**
**Effective July 5, 2008 through June 30, 2025**

| Ordinance Date | Effective Date | Ordinance # | Description | Option A 1:1 Fee | Option B 2:1 Fee |
|---|---|---|---|---|---|
| 5/6/2008 | 7/5/2008 | 4771 | Added Chapter 17.73 "Oak Woodland Conservation" to County Code and established the Oak Woodland Management Plan Conservation Fund In-Lieu Fee | $4,700 per acre | $9,400 per acre |
| 9/11/2012 | 10/10/2012 | 4892 | Rescinded Ordinance 4771 and removed Chapter 17.73 from the County Code except for for a limited exemption from the requirements of Policy 7.4.4.4. Option A retention requirements for road safety projects and public utility safety projects. | $4,700 per acre | N/A |
| 10/24/2017 | 11/23/2017 | 5061 | New Chapter 130.39 (Oak Resources Conservation) of Title 130. Ordinance adopting an Oak Resources Conservation Ordinance to implement the Oak Resources Management Plan | See Page 27, Table 5 of Resolution 130-2017 for fee breakdown | |
| 10/24/2017 | 12/23/2017 | 5061 | Oak Resources In-Lieu Mitigation Fee as incentive for On-Site Retention of Oak Woodlands | See Page 28, Table 6 of Resolution 130-2017 for fee breakdown | |

# 3.0 In-Lieu Fee

The methodology for determining the in-lieu fee for impacts to individual native oak trees and oak woodlands is provided in detail in Appendix B. In general, the in-lieu fee for oak woodlands is based on the costs of acquisition of land and conservation easements, along with management, monitoring, and administrative costs. For individual native oak trees, the in-lieu fee is based on an inch-for-inch replacement approach that accounts for costs associated with purchasing and planting 1-inch of trunk diameter.

## 3.1 *Oak Woodlands*

As noted, the in-lieu fee for impacts to oak woodlands is based on the costs of acquisition of land and conservation easements, along with management, monitoring, and administrative costs. A breakdown of costs per acre is provided in Table 5.

**Table 5**
**Oak Woodland In-Lieu Fee**

| Activity | Cost per Acre |
| --- | --- |
| Acquisition | $4,400 |
| Initial Management and Monitoring | $2,600 |
| Long-Term Management and Monitoring | $890 |
| Administration | $395 |
| **Total Cost per Acre** | **$8,285** |

*Source: New Economics & Advisory Oak Resource In-Lieu Fee Nexus Study (June 2016)*

The in-lieu fee payment option for impacts to oak woodlands shall be made at the ratio outlined in Table 3, which provides for a variable mitigation ratio depending on the percentage of oak woodland impacted on a project site. The County shall deposit all oak woodland in-lieu fees into its Oak Woodland Conservation Fund, which shall be used to fund the acquisition of land and/or conservation easements from willing sellers as described in Section 4.0 (Priority Conservation Areas). This fund shall also be used for ongoing monitoring and management activities, including but not limited to fuels treatment, weed control, periodic surveys, and reporting. It is anticipated that conservation easements and mitigation lands would be held by a land conservation organization; therefore, ongoing monitoring and management activities would be conducted by such organizations. Funding to support the negotiation of the purchase price and oversight of the land transaction is included in the management component of the oak woodland in-lieu fee.

If a project applicant independently negotiates purchase of a conservation easement with a willing seller to mitigate oak woodland impacts, the applicant shall be responsible for paying the Initial and Long-Term Management and Monitoring and Administration components of the Oak Woodland In-Lieu Fee to the County, unless the applicant also independently negotiates acceptance of the conservation easement management and monitoring with a land conservation organization approved by the County.

For individual native oak trees, the in-lieu fee is based on an inch-for-inch replacement approach that accounts for costs associated with purchasing and planting 1-inch of trunk diameter and maintaining those trees for a period of seven years.

The assumptions that factor into the in-lieu fee are:

1. Two 1-gallon/TreePot 4-sized container trees are assumed to represent one inch of trunk diameter. The acquisition and planting component of the per-inch mitigation fee is then based on the costs to purchase and plant two 1-gallon/TreePot 4-sized container trees.
2. To determine the per-inch fee, the median price of 1-gallon/TreePot 4-sized container trees was calculated from a survey of nurseries in El Dorado County and the surrounding region.
3. This price was then doubled for each tree to account for costs associated with planting. Doubling the per-tree cost to account for purchasing and planting a tree (inclusive of labor and materials) is a standard approach in the landscape/habitat restoration industry.
4. The management and monitoring component of the per-inch mitigation fee is based on annual costs associated with maintaining planted trees for a period of seven years. Data for this fee was derived from cost estimates provided by a habitat restoration contracting firm, Habitat Restoration Sciences, Inc.

Based on this analysis, the individual native oak tree mitigation fee was calculated to be $153.00 per-inch. In the case of Heritage Trees, the mitigation fee shall be $459.00 per-inch (3:1 ratio). Table 6 summarizes the cost breakdown associated with the in-lieu fee for individual native oak trees.

**Table 6**
**Individual Oak Tree In-Lieu Fee**

| Activity | Cost per Inch |
|---|---|
| Acquisition and Planting | $31.90 |
| Initial Management & Monitoring (Years 1-7) | $113.40 |
| Administration (5%) | $7.27 |
| **Total Cost per Inch (non-Heritage Trees) (rounded to nearest whole dollar)** | **$153** |
| **Total Cost Per Inch (Heritage Trees – 3:1 Ratio)** | **$459** |

*Source: New Economics & Advisory Oak Resource In-Lieu Fee Nexus Study (June 2016)*

## Annual Report of Fund Balances

*Gov. Code § 66006(b)(1)(C) and (D)*

| | Oak Woodlands<br>Conservation<br>Special Revenue Fund<br>Acct. 3770755<br>Fund 12370505 | Oak Woodlands<br>Set-Aside<br>Special Revenue Fund<br>Acct. 3770756<br>Fund 12370506 | Oak Woodlands<br>Admin Fee<br>Special Revenue Fund<br>Acct. 3770759<br>Fund 12370509 |
|---|---|---|---|
| **Ending Cash Balance Last Fiscal Year:** | **790,801** | **421,247** | **58,953** |
| **Less Fair Market Value Adjustment Last Fiscal Year:** | (12,498) | (6,657) | (932) |
| **Plus Accruals For Last Fiscal Year:** | - | | - |
| **Fund Balance at Start of Fiscal Year:** | 778,303 | 414,590 | 58,021 |
| **Fees Collected in Fiscal Year:** | 127,725 | 25,545 | 6,386 |
| **Interest Earned in Fiscal Year:** | 44,211 | 22,195 | 3,234 |
| **Expenditures in Fiscal Year:** | (31,931) | - | (3,959) |
| **Balance of Fund at End of Fiscal Year:** | 918,308 | 462,329 | 63,682 |

## Public Improvements on Which Fees Were Expended in Fiscal Year

*Gov. Code § 66006(b)(1)(E)*

| **Public Improvement Expenditures** | Oak Woodlands Conservation Special Revenue Fund Acct. 3770755 Fund 12370505 | Oak Woodlands Admin Fee Special Revenue Fund Acct. 3770759 Fund 12370509 |
|---|---|---|
| ADMINISTATIVE EXPENSES | 31,931 | 3,959 |
| Total Expenditures | **31,931** | **3,959** |

## Newly Identified Public Improvement Projects with Sufficient Funding

*Gov. Code § 66006(b)(1)(F)*

Not applicable for Oak Woodlands Funds.

## Public Improvement Projects Identified in Previous Annual Reports with Sufficient Funding

*Gov. Code § 66006(b)(1)(F)*

Not applicable for Oak Woodlands Funds.

## Interfund Transfers and Loans

*Gov. Code 66006(b)(1)(G)*

Not applicable for Oak Woodlands Funds.

## Refunds Made Pursuant to Section 66001(e) from These Funds

*Gov. Code § 66006(b)(1)(H)*

Not applicable for Oak Woodlands Funds.