

COUNTY OF EL DORADO

330 Fair Lane
Placerville, CA 95667
(530) 621-5390
(530) 622-3645 Fax

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August 18, 2026

El Dorado Hills Community Services District
Attn: Stephanie McGann Jantzen, General Manager
1021 Harvard Way
El Dorado Hills, CA 95762
CEQA@edhcsd.org

Re: Transmittal of Technical Memo – Proposed El Dorado Hills Incorporation Initial Study/Negative Declaration

Dear Ms. McGann Jantzen,

Please accept this letter and the attached Technical Memorandum prepared by Ascent Environmental, Inc. as comment on the Draft Initial Study/Negative Declaration (“IS/ND”) in connection with the proposed El Dorado Hills Incorporation Project (“Project”).

Ascent evaluated the completeness and adequacy of the IS/ND under the California Environmental Quality Act (CEQA), including the analysis of direct and reasonably foreseeable indirect environmental effects, relevant State CEQA Guidelines, and applicable case law. The attached memorandum also provides review of project boundaries, land use considerations, potential implications for rural and urban development patterns, and foreseeable obligations associated with future housing requirements.

Please contact the Chief Administrative Office if additional information or coordination is needed. Thank you for your consideration.

Sincerely,

Brooke Laine, Chair
El Dorado County Board of Supervisors

Enclosure: *August 10, 2026 Technical Memorandum*

Memo



455 Capitol Mall, Suite 300
Sacramento, CA 95814

Date: August 10, 2026
To: El Dorado County, Chief Administrative Office
From: Ascent Environmental, Inc.
Subject: Peer Review of the proposed El Dorado Hills Incorporation Project Initial Study/Negative Declaration

This technical memorandum (memo) provides a peer review of the proposed El Dorado Hills (EDH) Incorporation Project Initial Study/Negative Declaration (IS/ND). This peer review is objective and focused on completeness of the project description and associated evaluation of the direct and indirect environmental effects of a project consistent with the requirements of CEQA, State CEQA Guidelines, and the Third District Appellate Court CEQA decision *Sacramento County Board of Supervisors v. Sacramento Local Agency Formation Commission* in relation to the analysis in the IS/ND.¹

Overview of the Proposed El Dorado Hills Incorporation Project Evaluated in the IS/ND

The El Dorado Hills Community Services District (EDHCSD) is the lead agency on the proposed incorporation of the El Dorado Hills Incorporation Project, which would create a new city consisting of the existing El Dorado Hills Community. The proposed incorporation would be subject to review and approval by the El Dorado Local Agency Formation Commission (LAFCO). The EDHCSD proposed EDH city boundary consists of approximately 18,200 acres that includes the service boundaries of the EDHCSD, the Rolling Hills Community Services District (RHCS), the El Dorado Hills Business Park, and an area just south of the El Dorado Hills Business Park excluding the portion of the EDHCSD service area within the proposed Marble Valley Specific Plan area. The proposed EDH city boundary includes land areas within the El Dorado County General Plan designated El Dorado Hills Community Region boundary (General Plan Figure LU-1) except for the following:

- Exclusion of approximately 280 acres along Green Valley Road (proposed Generations at Green Valley project site) as well as land area south of the El Dorado Hills Business Park
- Inclusion of land areas in the General Plan designated Rural Region along US 50 corridor east of Silva Valley Parkway and along Green Valley Road.

In addition to the EDHCSD proposed EDH city boundary, the IS/ND identifies an El Dorado LAFCO-Staff-Proposed Boundary (boundary alternative) that includes additional land area to the south, including the Marble Valley Specific Plan area, Marble Mountain Homeowners CSD, and land to the north of the EDHCSD's proposed boundary. These additional land areas further expand the proposed city boundary into the General Plan designated Rural Region area that includes large parcels along Latrobe Road south of the El Dorado Hills Business

¹ While this decision is not published due to the State Supreme Court granting review of the case, the Supreme Court limited its review to the voter-eligibility/equal protection issue of the decision and did not review the CEQA issue or alter the Third District Appellate decision on that issue. The discussion of this decision in the memo is intended to consist of background on the court's review of CEQA associated with proposed incorporation actions and not a citable decision.

Park. No information or rationale for the consideration of the El Dorado LAFCO-Staff-Proposed Boundary is provided in the IS/ND.

Should the incorporation be approved, the EDHCSD would become a subsidiary district² of the new city to allow continuation of Covenant, Condition, and Restriction (CC&R) enforcement to areas within the EDHCSD boundaries (i.e., including areas that may remain outside the EDH city boundaries) and continued provision of recreation services to areas within the EDHCSD outside of the EDH city boundary. Under both boundary options, the Rolling Hills CSD would be dissolved, and the services would be provided by the new EDH city. In addition, under the El Dorado LAFCO Staff Proposed Boundary, the Marble Mountain Homeowners CSD would also be dissolved with the services to be provided by the new EDH city.

If the incorporation is approved, general government services would be transferred from El Dorado County to the new EDH city. This may include contracting back to the County for services, such as law enforcement, engineering, building, and related operations.

Review of the Adequacy of Environmental Analysis and Conclusions in the Initial Study/Negative Declaration

The IS/ND identifies that the EDHCSD is acting as the CEQA lead agency, and that the IS/ND evaluates the potential environmental impacts associated with the proposed incorporation. The document further states that CEQA requires an environmental review to consider both the direct impacts of a proposed action and any reasonably foreseeable indirect impacts that may result from that action as set forth in State CEQA Guidelines Section 15064(d) and 15358(a) (IS/ND page 2). While acknowledging these requirements under CEQA, the IS/ND then states the following:

CEQA prohibits agencies from basing environmental analysis on speculation. Thus, speculative impacts that might result from decisions made by a future elected body, such as a city council that has not yet been formed, are not appropriate for consideration in a CEQA document. This direction is reflected in CEQA Guidelines Section 15145, which states that "if, after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of this impact." Thus, only impacts that are direct or reasonably foreseeable based on substantial evidence in the record are subject to review, while the effects of speculative future decisions are excluded from consideration under CEQA. In the context of a proposed city incorporation, the CEQA review appropriately considers the environmental effects that are directly or indirectly attributable to the incorporation itself, while excluding from environmental analysis speculation of effects of unknowable future decisions by a yet-to-be-elected city council. (IS/ND page 2)

This position is presented throughout the IS/ND that the subsequent actions from the proposed incorporation of the El Dorado Hills community are speculative and would not result in any indirect significant environmental impacts. However, the IS/ND does not provide any substantial evidence (as defined in State CEQA Guidelines Section 15384) supporting the conclusion that, after thorough investigation, environmental impacts from future actions of EDH city are too speculative for evaluation as allowed under State CEQA Guidelines Section 15145.

In *Sacramento County Board of Supervisors v. Sacramento Local Agency Formation Commission (Citrus Heights Incorporation Project)*, 3 Cal.4th 475, Sacramento LAFCO argued that "environmental effects were too speculative at the incorporation stage and should instead await land-use decisions by the proposed city council after the city came into existence." The Third District Court of Appeal rejected that argument and held:

² Government Code Section 56078 defines a "subsidiary district" as a district of limited powers in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district.

- Incorporation is "the last point at which the environmental impacts of creating yet another governmental subunit of the county can be assessed," because the city cannot later be reincorporated if its formation produces adverse environmental consequences.
- The uncertainty of exactly what a future council will decide "does not excuse preparation of an EIR; such difficulty only reduces the level of specificity required" of the analysis. This does not eliminate the duty to evaluate potential environmental impacts from incorporation.
- A newly elected council "could enact a radically different land-use plan at its first meeting," so the mere existence of transitional statutory provisions carrying forward county land-use regulations does not render future land-use change too remote for CEQA purposes.

Thus, the IS/ND should not dismiss the future city and its actions as categorically "speculative" and outside the scope of review without substantial evidence that supports this determination. The following are areas that the IS/ND should further evaluate regarding reasonably foreseeable indirect impacts of the incorporation action.

Potential Environmental Impacts of EDHCSD Proposed Boundary and El Dorado LAFCO-Staff-Proposed Boundary

As noted above, both the EDHCSD Proposed Boundary and El Dorado LAFCO-Staff-Proposed Boundary include land areas that are outside of the General Plan designated El Dorado Hills Community Region boundary. General Plan Objective 2.1.1: Community Region states:

Purpose: The urban limit line establishes a line on the General Plan land use maps demarcating where the urban and suburban land uses will be developed. The Community Region boundaries as depicted on the General Plan land use map shall be the established urban limit line.

Provide opportunities that allow for continued population growth and economic expansion while preserving the character and extent of existing rural centers and urban communities, emphasizing both the natural setting and built design elements which contribute to the quality of life and economic health of the County.

This objective is further reinforced through General Plan Policies 2.1.1.1 through 2.1.1.7, which state that areas designated as El Dorado Hills Community Region land uses are appropriate for the highest intensity of self-sustaining compact urban-type development or suburban type development within the County. This land use designation contains municipal spheres of influence, availability of infrastructure, public services, and major transportation corridors. As noted above, both EDH city boundary options include land areas that are not within the El Dorado Hills Community Region boundary and are designated in the General Plan as Rural Regions. General Plan Objective 2.1.3 defines Rural Regions as areas that provide a land use pattern that maintains the open character of the County, preserves its natural resources, recognizes the constraints of the land and the limited availability of infrastructure and public services, and preserves the agricultural and forest/timber area to ensure its long-term viability for agriculture and timber operations.

The purpose of the Cortese-Knox-Hertzberg Act (Government Code Sections 56000 through 57550) is to encourage orderly growth and development, which are essential to the social, fiscal, and economic well-being of the state. The California State Legislature recognized that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with, sometimes competing, State interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services (Government Code Section 56001). Government Code Section 56377 requires that if a proposal could reasonably be expected to induce, facilitate, or lead to the conversion of existing open space lands to other uses, the LAFCO shall consider policies and priorities that guide development or use of land, for uses other than open-space, away from existing prime agricultural lands in open space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

In addition, El Dorado LAFCO Policies and Guidelines for incorporations (Section 6.7) include the following:

6.7.8.1: Areas included within the proposed incorporation boundaries should consist of:

- (1) existing developed areas;
- (2) areas which are planned for development and/or;
- (3) areas which are planned for development-supporting extensions of infrastructure in the future, such as the next ten years.

The inclusion of land areas outside of the General Plan El Dorado Hills Community Region boundary appears to conflict with the above provisions regulating LAFCO because areas proposed for incorporation should contain existing or planned development. That is, both proposed EDH city boundary options could reasonably result in future EDH city actions that would change General Plan land use designations and rezoning for current designated Rural Region areas to urban land uses. Development of rural areas to urban uses could result in greater environmental impacts than were contemplated in the General Plan EIR.

The IS/ND should evaluate this potential change from rural to urban use of these land areas and whether it could result in significant environmental impacts. Development of rural areas could result in potentially significant impacts on many resources including: changes to scenic resources, increased light and glare, air pollutant emissions, adverse effects to biological resources, changes to vehicle miles traveled, and increased risk of wildfire. Furthermore, increased population levels may necessitate the need to develop recreational and public services facilities, the development of which could result in significant environmental impacts.

Regional Housing Needs Allocation for New City

Housing elements are a mandated element of the General Plan and must address the existing and projected housing needs of all economic segments of the community. A key component of the housing element is demonstration of adequate land areas with appropriate zoning and densities to accommodate the jurisdiction's share of the regional housing needs allocation (RHNA) for all income categories. The upcoming 7th Cycle RHNA will cover the projection period of June 30, 2029, to May 15, 2037. While SACOG is not expected to issue the final 7th Cycle RHNA allocations until December 2027, the County has initiated the update of its Housing Element that is required by state law to be approved by May 19, 2029. It is reasonably foreseeable that the new city may be approved prior to final approval of the County's 7th Cycle Housing Element in 2029 and require transfer of its fair share of the County's RHNA allocation. Thus, the incorporation action would have a foreseeable action to demonstrate compliance with state housing law that includes accommodation of its anticipated RHNA allocation as required under Government Code Section 65584.07.

Per Government Code section 65583.2, the future city would be considered a metropolitan jurisdiction that would require a default density standard of 30 dwelling units per acre for sites identified to accommodate the lower-income RHNA allocations. There are approximately 29 acres of vacant land zoned Multi-unit Residential (RM) within both proposed city boundary options evaluated in the IS/ND that allow for densities of up to 30 dwelling units per acre.³ However, this property was part of the previously proposed Central El Dorado Hills Specific Plan (Pedregal Planning Area) and has wetland, oak woodland, and slope conditions that limits the extent of site development (Central El Dorado Hills Specific Plan Draft EIR Figure 3.3-1 and 3.5-1). Based on these site conditions, the Central El Dorado Hills Specific Plan identified a development density of approximately 20 dwelling units per acre for this property.

In developing the RHNA methodology, SACOG uses land use forecasts from the 2025 Blueprint as the basis for allocating the total RHNA. SACOG's 2025 Blueprint forecasts 7,855 housing units in the unincorporated county between 2020 and 2050, of which 3,200 units are allocated to the El Dorado Hills Established Community and El

³ 30 dwelling units per acre required under Housing Element Measure HO-40.

Dorado Hills Town Center (Appendix C of the SACOG 2025 Blueprint). This represents 40.7 percent of the total housing units forecasted for the unincorporated county.

While the 7th Cycle RHNA is not yet available, it is reasonable to assume it will be similar in scale to the 6th Cycle RHNA, which assigned 4,994 units to the unincorporated County. Applying El Dorado Hills' 40.7 percent share of the land use forecast to that County RHNA total yields an estimated allocation of 2,034 units for the new city. Assuming 43 percent of this allocation falls within the lower-income RHNA categories, the new city would need to accommodate approximately 875 lower-income units.

Thus, it is reasonably foreseeable that the new EDH city would initiate rezoning actions immediately after incorporation to meet state housing law requirements. The IS/ND should evaluate this circumstance, candidate land areas that could be rezoned, and whether there are any environmental impacts from this action. The environmental impacts of rezoning could result from physical changes on the environment, as well as indirect changes associated with the provision of additional utility services, public services, and further pressure on development of undeveloped lands to developed uses.