

## Public Review Draft Report

*The Economics of Land Use*



# Central El Dorado Hills Specific Plan Draft Fiscal Impact Analysis

Prepared for:

El Dorado County

Prepared by:

Economic & Planning Systems, Inc. (EPS)

December 2016

*Economic & Planning Systems, Inc.  
400 Capitol Mall, 28th Floor  
Sacramento, CA 95814  
916 649 8010 tel  
916 649 2070 fax*

*Oakland  
Sacramento  
Denver  
Los Angeles*

[www.epsys.com](http://www.epsys.com)

# ATTACHMENT 7: CENTRAL EL DORADO HILLS SPECIFIC PLAN DRAFT FISCAL IMPACT ANALYSIS

EPS #19517

# Table of Contents

---

|    |   |    |
|----|---|----|
| 1. | EXECUTIVE SUMMARY .....   | 1  |
|    | Introduction .....  | 1  |
|    | Project Description .....   | 1  |
|    | Land Use Phasing.....   | 3  |
|    | Overview of Results .....   | 3  |
|    | Organization of the Report .....                                  | 9  |
| 2. | PROJECT DESCRIPTION.....  | 11 |
|    | Land Use Phasing.....   | 14 |
| 3. | METHODOLOGY AND ASSUMPTIONS.....                                  | 15 |
|    | Methodology and Assumptions.....                                  | 15 |
| 4. | FISCAL IMPACT ANALYSIS.....                                       | 20 |
|    | Fiscal Impact Analysis .....                                      | 20 |
| 5. | CONCLUSIONS AND FUNDING SOURCES TO MITIGATE FISCAL DEFICITS ..... | 23 |
|    | Annual Net Fiscal Impacts to the County .....                     | 23 |
|    | Annual Net Impacts to the El Dorado Hills Fire Department .....   | 23 |
|    | Annual Net Impacts to the El Dorado Hills CSD .....               | 23 |
|    | Funding Sources to Mitigate Fiscal Deficits .....                 | 23 |

Appendices:

- Appendix A: General Assumptions
- Appendix B: County General and Road Fund Revenue Analysis
- Appendix C: County General and Road Fund Expenditure Analysis
- Appendix D: Supporting Tables for Revenue Analyses
- Appendix E: Library Parcel Tax Revenue

## List of Maps

---

|       |  |    |
|-------|--|----|
| Map 1 | Central El Dorado Hills Specific Plan Regional Location..... | 2  |
| Map 2 | Proposed CEDHSP Scenario Land Use Plan .....                 | 13 |

## List of Tables

---

|         |  |    |
|---------|--|----|
| Table 1 | Cumulative Fiscal Impact Summary at Buildout .....                                 | 4  |
| Table 2 | Cumulative Estimated Revenue and Expenditure<br>Summary by Scenario (2 pages)..... | 5  |
| Table 3 | CEDHSP Estimated Services Special Tax Revenue .....                                | 25 |

DRAFT - For Review

# 1. EXECUTIVE SUMMARY

---

## Introduction

The objective of this fiscal impact analysis (Analysis) of the Central El Dorado Hills Specific Plan (CEDHSP or Project) is to determine whether the net effect of development is likely to be a positive or negative one to the long-term fiscal well-being of El Dorado County (County), El Dorado Hills Fire Department, and El Dorado Hills Community Services District (CSD). Specifically, the Analysis estimates whether the Project will generate adequate revenues at buildout to meet the costs of providing County General Fund and Road services to new development. This Analysis also evaluates the net fiscal impacts on the El Dorado Hills Fire Department and El Dorado Hills CSD General Fund.

This report, including the technical appendices, describes the methodology, assumptions, and results of the Analysis.

## Project Description

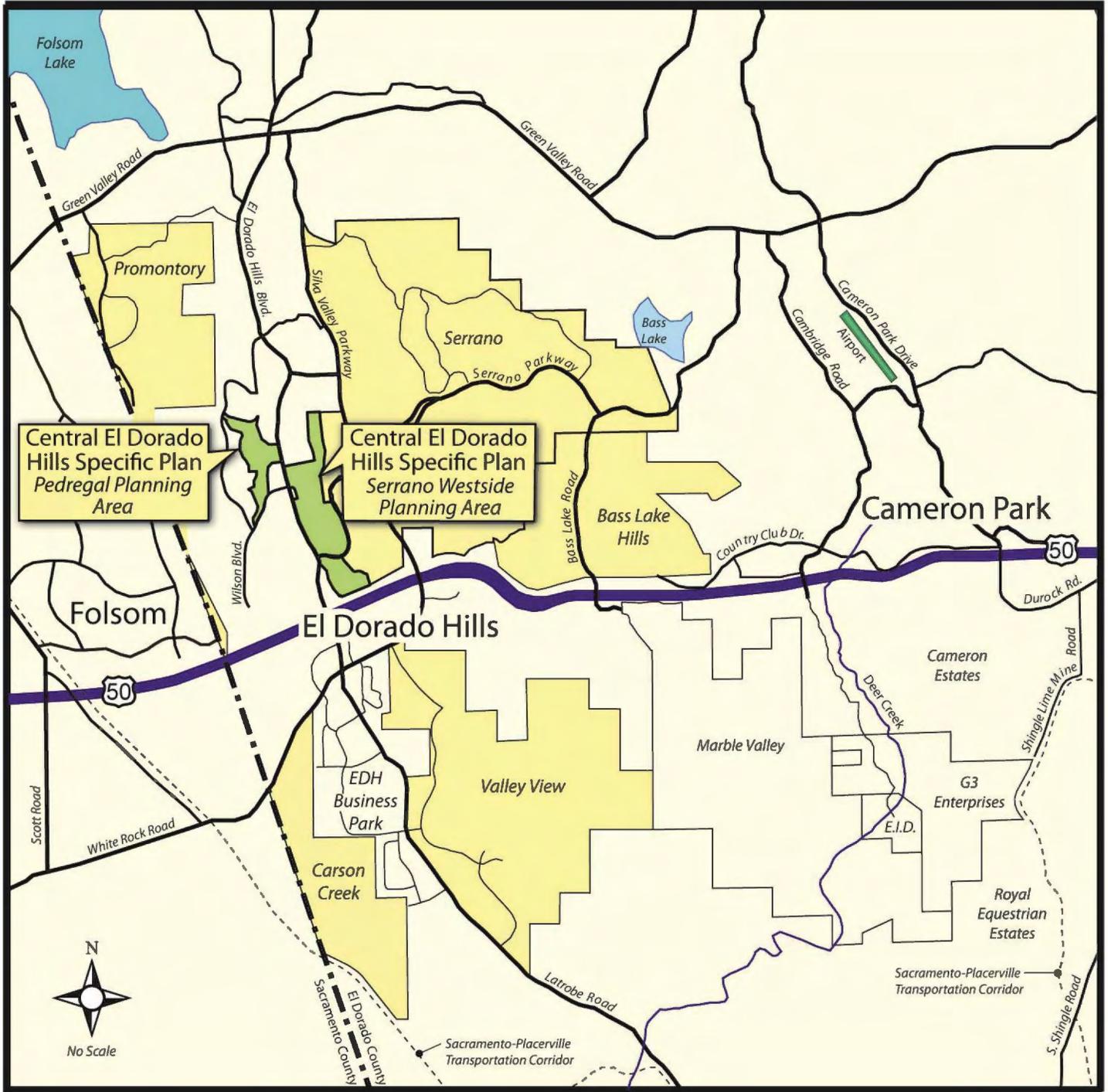
The Project is located on approximately 340 acres in the center of the El Dorado Hills community in the unincorporated County. The CEDHSP comprises two planning areas: Serrano Westside, located east of the intersection of El Dorado Hills Boulevard and Serrano Parkway; and Pedregal, located west of El Dorado Hills Boulevard between Wilson Way and Olson Way, adjacent to the existing Ridgeview subdivision. Refer to **Map 1** for the Project location.

The proposed Project includes an amendment to the existing El Dorado Hills Specific Plan (EDHSP), approved in 1988, to transfer density planned in the existing Serrano project to the CEDHSP, as well as County General Plan amendments to rezone land uses and reduce the density and development of the Pedregal planning area as currently provided in the County General Plan. Thus, this Analysis estimates the overall fiscal impacts to the County based on development of the Project under the following two scenarios: **Scenario 1: CEDHSP Scenario**, which evaluates the Project under the proposed amendment; and **Scenario 2: Base Case Scenario**, which evaluates the Project assuming no changes to the EDHSP or County General Plan. These two scenarios at buildout are described in further detail in **Chapter 2**. Refer to **Table A-2** in **Appendix A** for a summary of CEDHSP and Base Case Scenarios land uses evaluated in the Analysis.

The **CEDHSP Scenario's** proposed land use designations include the following land uses:

- 1,000 residential units.
- 11 acres of civic use.
- 15 acres of parks.
- 169 acres of open space.
- 12 acres of right-of-way and landscape lots.

Map 1 Central El Dorado Hills Specific Plan Regional Location



Torrence Planning

The **Base Case Scenario**'s proposed land use designations include the following land uses:

- 312 residential units.
- 235 acres of open space.
- 13 acres of right-of-way and landscape lots.

## Land Use Phasing

For the purpose of this Analysis, development of the **CEDHSP Scenario** has been organized into three phases, culminating in buildout of the Project at the end of Phase 3.<sup>1</sup> **Table A-3** in the **Base Case Scenario** shows the cumulative phasing for **CEDHSP Scenario**. This Analysis is based on the assumption that **Scenario 2** will be developed in a single phase. The land uses included in each cumulative phase for **CEDHSP Scenario** are described in **Chapter 2**.

## Overview of Results

This Analysis estimates the net fiscal impact of the Project on the County, El Dorado Hills Fire Department, and El Dorado Hills CSD for the **CEDHSP Scenario** and **Base Case Scenario**. **Table 1** summarizes the cumulative fiscal impacts of the Project. **Table 2** shows the detailed cumulative estimated fiscal impacts of the Project by phase.

### Impacts to the County: County General and Road Funds

#### *CEDHSP Scenario*

Under the **CEDHSP Scenario**, the Analysis estimates the Project will result in an annual net fiscal deficit of approximately \$438,000 for the County's General Fund at buildout (i.e., development-generated expenditures will exceed the estimated revenues for the Project).

Similarly, Phase 1 and Phase 2 of the Project are anticipated to realize a smaller net fiscal deficit to the General Fund of \$196,000 and \$230,000 annually, respectively.

The Analysis also estimates the **CEDHSP Scenario** will result in an annual net fiscal deficit of about \$56,000 for the County's Road Fund at buildout. The County Road Fund is estimated to result in a net fiscal deficit of approximately \$24,000 in Phase 1 and \$33,000 in Phase 2.

---

<sup>1</sup> Phasing plan is consistent with phasing assumptions used in the CEDHSP Draft Environmental Impact Report (EIR) and were developed in coordination with the County and applicant team.

**Table 1**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Cumulative Fiscal Impact Summary at Buildout (2015\$)**

| Fund  | Land Use Scenarios |                                 |                         |  | Difference at Buildout |
|---|--------------------|---------------------------------|-------------------------|--|------------------------|
|   | 2016-2020          | Scenario 1: CEDHSP<br>2021-2025 | 2026-2030<br>(Buildout) | Scenario 2:<br>Base Case<br>(Buildout) |                        |
| <i>Formula</i>  |                    |                                 | <i>a</i>                | <i>b</i>                               | <i>c = b - a</i>       |
| <b>County General Fund</b>                                  |                    |                                 |                         |  |                        |
| Annual Revenues   | \$486,000          | \$960,000                       | \$1,225,000             | \$520,000                              | (\$705,000)            |
| Annual Expenditures   | \$682,000          | \$1,190,000                     | \$1,663,000             | \$553,000                              | (\$1,110,000)          |
| <b>Annual County General Fund Surplus/(Deficit)</b>         | <b>(\$196,000)</b> | <b>(\$230,000)</b>              | <b>(\$438,000)</b>      | <b>(\$33,000)</b>                      | <b>\$405,000</b>       |
| <b>County Road Fund</b>                                     |                    |                                 |                         |  |                        |
| Annual Revenues   | \$88,000           | \$163,000                       | \$218,000               | \$82,000                               | (\$136,000)            |
| Annual Expenditures   | \$112,000          | \$196,000                       | \$274,000               | \$91,000                               | (\$183,000)            |
| <b>Annual County Road Fund Surplus/(Deficit)</b>            | <b>(\$24,000)</b>  | <b>(\$33,000)</b>               | <b>(\$56,000)</b>       | <b>(\$9,000)</b>                       | <b>\$47,000</b>        |
| <b>El Dorado Hills Fire Department</b>                      |                    |                                 |                         |  |                        |
| Annual Revenues   | \$257,000          | \$515,000                       | \$649,000               | \$287,000                              | (\$362,000)            |
| Annual Expenditures   | \$0                | \$0                             | \$0                     | \$0                                    | \$0                    |
| <b>Annual Fire District Surplus/(Deficit)</b>               | <b>\$257,000</b>   | <b>\$515,000</b>                | <b>\$649,000</b>        | <b>\$287,000</b>                       | <b>(\$362,000)</b>     |
| <b>El Dorado Hills Community Services District</b>          |                    |                                 |                         |  |                        |
| Annual Revenues   | \$162,000          | \$315,000                       | \$406,000               | \$168,000                              | (\$238,000)            |
| Annual Expenditures   | \$144,000          | \$260,000                       | \$347,000               | \$0                                    | (\$347,000)            |
| <b>Annual Community Services District Surplus/(Deficit)</b> | <b>\$18,000</b>    | <b>\$55,000</b>                 | <b>\$59,000</b>         | <b>\$168,000</b>                       | <b>\$109,000</b>       |

"buildout"

Source: EPS.

**Table 2**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Cumulative Estimated Revenue and Expenditure Summary by Scenario (2015\$)**

| Item  | Cumulative Annual Fiscal Impact at Buildout by Scenario |                                 |                         |  | Difference at Buildout |
|---|---|---------------------------------|-------------------------|--|------------------------|
|   | 2016-2020   | Scenario 1: CEDHSP<br>2021-2025 | 2026-2030<br>(Buildout) | Scenario 2:<br>Base Case<br>(Buildout) |                        |
| Formula   |   |                                 | a                       | b                                      | c = b - a              |
| <b>County General Fund</b>                              |   |                                 |                         |  |                        |
| <b>Annual Revenues [1]</b>                              |   |                                 |                         |  |                        |
| Property Tax  | \$271,000   | \$543,000                       | \$684,000               | \$302,000                              | (\$382,000)            |
| Property Tax in Lieu of VLF                             | \$89,000  | \$179,000                       | \$226,000               | \$100,000                              | (\$126,000)            |
| Property Transfer Tax                                   | \$13,000  | \$29,000                        | \$33,000                | \$16,000                               | (\$17,000)             |
| Sales and Use Tax                                       | \$52,000  | \$98,000                        | \$130,000               | \$49,000                               | (\$81,000)             |
| Prop. 172 Public Safety Sales Tax                       | \$24,000  | \$46,000                        | \$61,000                | \$23,000                               | (\$38,000)             |
| Licenses, Permits and Franchises                        | \$11,000  | \$19,000                        | \$26,000                | \$9,000                                | (\$17,000)             |
| Fines, Forfeitures, & Penalties                         | \$1,000   | \$2,000                         | \$3,000                 | \$1,000                                | (\$2,000)              |
| Charges for Services                                    | \$25,000  | \$44,000                        | \$62,000                | \$20,000                               | (\$42,000)             |
| <b>Total Annual County General Fund Revenues</b>        | <b>\$486,000</b>  | <b>\$960,000</b>                | <b>\$1,225,000</b>      | <b>\$520,000</b>                       | <b>(\$705,000)</b>     |
| <b>Annual Expenditures [2]</b>                          |   |                                 |                         |  |                        |
| General Government                                      | \$160,000   | \$278,000                       | \$389,000               | \$130,000                              | (\$259,000)            |
| Public Protection (Serving Countywide Res/Emp) [3]      | \$279,000   | \$487,000                       | \$682,000               | \$227,000                              | (\$455,000)            |
| Public Protection (Serving Countywide Residents) [4]    | \$31,000  | \$55,000                        | \$76,000                | \$25,000                               | (\$51,000)             |
| Public Protection (Sheriff Patrol - Unincorp. Only) [5] | \$133,000   | \$232,000                       | \$324,000               | \$108,000                              | (\$216,000)            |
| Health and Sanitation                                   | \$0   | \$0                             | \$0                     | \$0                                    | \$0                    |
| Public Assistance                                       | \$12,000  | \$22,000                        | \$30,000                | \$10,000                               | (\$20,000)             |
| Education   | \$9,000   | \$16,000                        | \$22,000                | \$7,000                                | (\$15,000)             |
| <b>Subtotal Annual County General Fund Expenditures</b> | <b>\$624,000</b>  | <b>\$1,090,000</b>              | <b>\$1,523,000</b>      | <b>\$507,000</b>                       | <b>(\$1,016,000)</b>   |
| <b>Non-Departmental Expenditures</b>                    |   |                                 |                         |  |                        |
| General Fund Contingency                                | \$39,000  | \$68,000                        | \$96,000                | \$32,000                               | (\$64,000)             |
| Human Services - Area Agency on Aging Programs          | \$14,000  | \$25,000                        | \$34,000                | \$11,000                               | (\$23,000)             |
| El Dorado Water & Power Authority (EDWPA)               | \$2,000   | \$3,000                         | \$4,000                 | \$1,000                                | (\$3,000)              |
| Road Fund   | \$3,000   | \$4,000                         | \$6,000                 | \$2,000                                | (\$4,000)              |
| <b>Subtotal Non-Departmental Expenditures</b>           | <b>\$58,000</b>   | <b>\$100,000</b>                | <b>\$140,000</b>        | <b>\$46,000</b>                        | <b>(\$94,000)</b>      |
| <b>Total Annual County General Fund</b>                 | <b>\$682,000</b>  | <b>\$1,190,000</b>              | <b>\$1,663,000</b>      | <b>\$553,000</b>                       | <b>(\$1,110,000)</b>   |
| <b>Annual County General Fund Surplus/(Deficit)</b>     | <b>(\$196,000)</b>                                      | <b>(\$230,000)</b>              | <b>(\$438,000)</b>      | <b>(\$33,000)</b>                      | <b>\$405,000</b>       |
| <i>Annual Surplus/(Deficit) per Unit</i>                | <i>(\$479)</i>  | <i>(\$329)</i>                  | <i>(\$438)</i>          | <i>(\$106)</i>                         |                        |
| <b>Estimated Services CFD [6]</b>                       | <b>\$196,000</b>  | <b>\$230,000</b>                | <b>\$438,000</b>        | <b>\$33,000</b>                        | <b>(\$405,000)</b>     |
| <b>Annual General Fund Surplus/(Deficit)</b>            | <b>\$0</b>  | <b>\$0</b>                      | <b>\$0</b>              | <b>\$0</b>                             | <b>\$0</b>             |
| <i>Annual Surplus/(Deficit) per Unit</i>                | <i>\$0</i>  | <i>\$0</i>                      | <i>\$0</i>              | <i>\$0</i>                             |                        |

**Table 2**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Cumulative Estimated Revenue and Expenditure Summary by Scenario (2015\$)**

| Item  | Cumulative Annual Fiscal Impact at Buildout by Scenario |                    |                      |                                  | Difference at Buildout |
|---|---|--------------------|----------------------|----------------------------------|------------------------|
|   | 2016-2020   | Scenario 1: CEDHSP |                      | Scenario 2: Base Case (Buildout) |                        |
|   |   | 2021-2025          | 2026-2030 (Buildout) |                                  |                        |
| Formula   |   |                    | a                    | b                                | c = b - a              |
| <b>County Road Fund</b>                                     |   |                    |                      |                                  |                        |
| Annual Revenues [1]   | \$88,000  | \$163,000          | \$218,000            | \$82,000                         | (\$136,000)            |
| Annual Expenditures [2]                                     | \$112,000   | \$196,000          | \$274,000            | \$91,000                         | (\$183,000)            |
| <b>Annual County Road Fund Surplus/(Deficit)</b>            | <b>(\$24,000)</b>                                       | <b>(\$33,000)</b>  | <b>(\$56,000)</b>    | <b>(\$9,000)</b>                 | <b>\$47,000</b>        |
| <i>Annual Surplus/(Deficit) per Unit</i>                    | <i>(\$59)</i>   | <i>(\$47)</i>      | <i>(\$56)</i>        | <i>(\$29)</i>                    |                        |
| <b>El Dorado Hills Fire Department</b>                      |   |                    |                      |                                  |                        |
| Annual Revenues [1]   | \$257,000   | \$515,000          | \$649,000            | \$287,000                        | (\$362,000)            |
| Annual Expenditures [2]                                     | \$0   | \$0                | \$0                  | \$0                              | \$0                    |
| <b>Annual Fire District Surplus/(Deficit)</b>               | <b>\$257,000</b>  | <b>\$515,000</b>   | <b>\$649,000</b>     | <b>\$287,000</b>                 | <b>(\$362,000)</b>     |
| <i>Annual Surplus/(Deficit) per Unit</i>                    | <i>\$628</i>  | <i>\$736</i>       | <i>\$649</i>         | <i>\$920</i>                     |                        |
| <b>El Dorado Hills Community Services District</b>          |   |                    |                      |                                  |                        |
| Annual Revenues [1]   | \$162,000   | \$315,000          | \$406,000            | \$168,000                        | (\$238,000)            |
| Annual Expenditures [2]                                     | \$144,000   | \$260,000          | \$347,000            | \$0                              | (\$347,000)            |
| <b>Annual Community Services District Surplus/(Deficit)</b> | <b>\$18,000</b>   | <b>\$55,000</b>    | <b>\$59,000</b>      | <b>\$168,000</b>                 | <b>\$109,000</b>       |
| <i>Annual Surplus/(Deficit) per Unit</i>                    | <i>\$44</i>   | <i>\$79</i>        | <i>\$59</i>          | <i>\$538</i>                     |                        |

"summary"

Source: El Dorado County FY 2015-16 BOS Adopted Budget; El Dorado County CAO; EPS.

Note: All values (except per unit values) are rounded to the nearest \$1,000.

[1] See Table B-1 for details on revenue estimating procedures.

[2] See Table C-1 for details on expenditure estimating procedures.

[3] Includes Judicial, Detention and Correction and Other Protection expenditures. Also includes Sheriff expenditures that serve residents and employees countywide.

[4] Includes Agricultural Commissioner, Development Services, and Animal Services expenditures serving County residents.

[5] Includes Sheriff expenditures that serve the unincorporated population only. Based on total Patrol Service expenditures (includes staffing and administrative costs for Patrol, Detective Units, and Specialty Units) as provided in the El Dorado County 2015-16 BOS Adopted Budget.

[6] This analysis assumes that any annual net fiscal deficit to the County's General Fund would be mitigated through a Mello-Roos Community Facilities District (CFD) for services.

To mitigate the annual net fiscal deficit to the County’s General Fund and County’s Road Fund, this Analysis is based on the assumption that development would be taxed through a Mello-Roos Community Facilities District (CFD) for services. The estimated CFD for services special tax rates by land use category are shown in the table below and in **Chapter 5**. Preliminary evaluations of financial feasibility indicate that the tax burden may be within the range of feasibility for all residential units.<sup>2</sup> Note that these special tax rates are an estimate and actual rates will be determined through negotiations between the County and Project applicant.

| Land Use  | Scenario 1: CEDHSP<br>Estimated Services<br>Special Tax Rate per Unit |                     |       |
|---|---|---------------------|-------|
|   | County<br>General Fund  | County<br>Road Fund | Total |
|   | <b>Residential Units</b>  |                     |       |
| Village Residential - Low                           | \$670   | \$80                | \$750 |
| Village Residential - Medium-Low                    | \$670   | \$80                | \$750 |
| Village Residential - Medium-High: Half-Plex        | \$535   | \$65                | \$600 |
| Village Residential - Medium-High: Condo / Townhome | \$535   | \$65                | \$600 |
| Village Residential - High (15.4 units per acre)    | \$405   | \$50                | \$455 |
| Village Residential - High (20.6 units per acre)    | \$405   | \$50                | \$455 |

**Base Case Scenario**

Under the **Base Case Scenario**, the Analysis estimates the Project will result in an annual net fiscal deficit of approximately \$33,000 for the County’s General Fund at buildout (i.e., development-generated expenditures will exceed the estimated revenues for the Project). The Analysis also estimates the **Base Case Scenario** will result in an annual net fiscal deficit of about \$9,000 for the County’s Road Fund.

**Funding Sources to Mitigate Fiscal Deficits**

As is typical of fiscal impact analyses that evaluate residential-only projects or residential projects with a significant amount of high-density units, the **CEDHSP Scenario** results in an annual net fiscal deficit for the County’s General Fund.<sup>3</sup> Levying a special tax on new development through a CFD for services is a common funding mechanism used to mitigate annual net fiscal deficits. The primary reason for the annual net fiscal deficit is the number of high-density, relatively lower assessed value residential development included in the Project, as well as the exclusion of any sales tax revenue-generating commercial uses, relative to the service costs associated with new population growth in the County. The **CEDHSP Scenario** land

<sup>2</sup> Financial feasibility will be evaluated in more detail in a separate Project Financing Plan document.

<sup>3</sup> The **Base Case Scenario** results in a significantly smaller net fiscal deficit because of the substantial amount of highly valued, low-density units in the Project.

use plan helps the County to meet many of its General Plan goals. If the **CEDHSP Scenario** land use plan replaced the high-density residential units with low- to medium-low density units, the net fiscal impact on the County would be a significantly lower deficit or neutral. Approximately 53 percent of the Project's residential land uses (in the **CEDHSP Scenario**) are high-density residential uses.

As stated previously, this Analysis is based on the assumption that any annual net fiscal deficit to the County's General Fund and Road Fund would be mitigated through a CFD for services, but the Project applicant is opposed to a new CFD for services for the reasons detailed below.

The **CEDHSP Scenario** includes nearly 70 percent of the total units with an assessed value of less than \$400,000, 530 multifamily units with an assessed value of \$250,000, and 168 medium-high density units with an assessed value of \$375,000 per unit. According to the Project applicant, the residual land value for the 530 multifamily units is close to zero, and the residual land value for 168 units is very low. The residual land value break-even per unit assessed value is approximately \$400,000. Implementation of a services CFD special tax would further reduce the residual land value. A less dense project with higher assessed values would avoid the need for a services CFD special tax similar to the **CEDHSP Scenario**, but such a project would not promote attainment of the numerous General Plan policies described below. Furthermore, a CFD services tax will be passed onto the owner of the property, which could result in increased income requirements or increased rents.

Despite the potential net fiscal deficit to the County, residential-only projects or residential projects with a significant amount of high-density, relatively more affordable residential units are important components of regional and countywide planning efforts in providing housing options to a spectrum of household incomes. In particular, the Project applicant believes this Project is important to the County in meeting its General Plan goals and policies and assisting the County in meeting Regional Housing Need Allocation (RHNA) requirements.<sup>4</sup>

Furthermore, as discussed in the Specific Plan, the CEDHSP is within the established Community Region of El Dorado Hills, a General Plan designation that denotes a geographic area in the County with suitable infrastructure and the ability to support higher density land uses.<sup>5</sup> With the goals of the General Plan in mind, the intent of the CEDHSP land use plan is to accommodate the long-term growth needs of the County, while establishing a concentrated, compact development pattern with regionally and countywide balanced housing, employment, shopping, and recreation uses. According to the General Plan, an important goal of the County is the provision of adequate and affordable housing opportunities.

---

<sup>4</sup> El Dorado County 2013-2021 Housing Element adopted in October 2013 goals and policies contained therein: Goal HO-1—To provide for housing that meets the needs of existing and future residents in all income categories; Goal HO-2—To provide quality residential environments for all income levels.

<sup>5</sup> El Dorado County 2013-2021 Housing Element adopted in October 2013 goals and policies contained therein: Policy HO-1.5—The County shall direct higher density residential development to Community Regions and Rural Centers.

The CEDHSP is the ideal location for a significant amount of high-density, relatively more affordable residential development, given the Project's location, including the General Plan designation of being located in a Community Region. The vision for the CEDHSP is to integrate land uses in El Dorado Hills by locating a range of housing alternatives adjacent to existing services to meet future population demands. The land use plan promotes a socially and economically diverse community for a range of ages, household types, and incomes. All of these outcomes are desired objectives of the General Plan Community Region designation.

It should be noted that the ongoing maintenance of facilities in the Project (e.g., roads) is anticipated to be funded through the creation of a private homeowners' association (HOA), similar to the HOA established for the proximate Serrano project. Further, other taxing entities distinct from the County, including the El Dorado Hills Fire District and the El Dorado Hills CSD, will provide fire and park services to Project residents, which are analyzed separately in this Analysis.

### **Impacts to the El Dorado Hills Fire Department**

The Project is anticipated to result in a net fiscal surplus across all phases of development and both scenarios for the El Dorado Hills Fire Department. Under the **CEDHSP Scenario**, this analysis estimates net fiscal surpluses of \$257,000, \$515,000, and \$649,000 in Phases 1, 2, and 3, respectively. The net annual fiscal surplus under the **Base Case Scenario** is approximately \$287,000 annually.

### **Impacts to the El Dorado Hills CSD**

This Analysis estimated that the Project will result in a net fiscal surplus to the El Dorado Hills CSD General Fund across all phases and scenarios.<sup>6</sup> Under the **CEDHSP Scenario**, Phases 1, Phase 2, and Phase 3 are estimated to realize a net annual fiscal surplus of approximately \$18,000, \$55,000 and \$59,000, respectively. **The Base Case Scenario** results in an annual surplus of \$168,000.

## **Organization of the Report**

In addition to this introductory chapter, the Analysis contains the following chapters:

- **Chapter 2** summarizes the proposed land uses and Project phasing in the CEDHSP.
- **Chapter 3** provides an overview of the methodology and assumptions used in this Analysis.
- **Chapter 4** summarizes the fiscal impacts to the County, the El Dorado Hills Fire Department, and El Dorado Hills CSD.
- **Chapter 5** includes the conclusions of the Analysis and the funding sources to mitigate any fiscal deficits.

---

<sup>6</sup> Based on conversations with the El Dorado Hills CSD, this Analysis is based on the assumption that no other funds will be impacted by development of the Project.

The data, assumptions, and detailed calculations used in this Analysis are shown in **Appendices A** through **E**:

- **Appendix A** indicates the proposed land uses and general assumptions used in this Analysis.
- **Appendix B** identifies the projected revenues that will be generated by the Project for the County's General and Road Funds, El Dorado Hills Fire Department, and El Dorado Hills CSD.
- **Appendix C** details the estimated expenditures for the County to provide General and Road Fund services to the Project and for the El Dorado Hills Fire Department and El Dorado Hills CSD to provide services to the Project.
- **Appendix D** provides supporting revenue calculations. Specifically, this appendix includes the projected assessed value of the Project, which serves as the basis for calculating property tax revenues; details on the estimated property tax rate for the County; and average income and estimated retail expenditures by household, which is used to estimate sales tax revenues.
- **Appendix E** provides the Library Parcel Tax revenue calculation for informational purposes. The library parcel tax revenues do not augment General Fund funding of library services and, instead, will flow directly to the Library Fund.

## 2. PROJECT DESCRIPTION

---

The Project is located on approximately 340 acres in the center of the El Dorado Hills community in the unincorporated County. The CEDHSP comprises two planning areas: Serrano Westside, located east of the intersection of El Dorado Hills Boulevard and Serrano Parkway; and Pedregal, located west of El Dorado Hills Boulevard between Wilson Way and Olson Way, adjacent to the existing Ridgeview subdivision. Refer to **Map 1** in **Chapter 1** for the Project location.

The proposed Project includes an amendment to the existing EDHSP, approved in 1988, to transfer density planned in the existing Serrano project to the CEDHSP, as well as County General Plan amendments to rezone land uses and reduce the density and development of the Pedregal planning area as currently provided in the County General Plan. Thus, this Analysis estimates the overall fiscal impacts to the County based on development of the Project under the following two scenarios: **Scenario 1: CEDHSP Scenario**, which evaluates the Project under the proposed amendment; and **Scenario 2: Base Case Scenario**, which evaluates the Project assuming no changes to the EDHSP or County General Plan. These two scenarios at buildout are described in further detail below:

- **Scenario 1: CEDHSP Scenario.** The CEDHSP Scenario comprises the Project as proposed by the developer, which is intended to expand the range of housing options in El Dorado Hills near existing services and transportation in El Dorado Hills. As described previously, the proposed Project includes an amendment to the EDHSP that would transfer EDHSP-vested density from Serrano to the CEDHSP. In addition, the proposed Project requests a County General Plan amendment that would amend land use designations in the Project.

Under the CEDHSP Scenario, the Project includes 1,000 dwelling units, with 160 single-family detached units, 310 medium-density attached or detached units of various typologies (e.g., half-plexes, condominiums, townhomes), and 530 multifamily attached units (apartments). There is a 15-acre village park site planned, 169 acres of open space, 11 acres designated for a civic use, and 12 acres of right-of-way and landscape lots (e.g., roads and landscaping).

- **Scenario 2: Base Case Scenario.** The Base Case Scenario is based on the assumption the Project would develop with no changes to the existing EDHSP or County General Plan. Included in the Base Case Scenario are 312 dwelling units, with 168 single-family detached units and 144 high-density multifamily units (apartments). This scenario includes approximately 235 acres of open space.

The following table illustrates the differences in developable land use totals between the CEDHSP and the Base Case Scenarios.

| Land Use  | Land Use Scenarios    |                          |                  |
|---|-----------------------|--------------------------|------------------|
|   | Scenario 1:<br>CEDHSP | Scenario 2:<br>Base Case | Difference       |
| <i>Formula</i>                                      | <i>a</i>              | <i>b</i>                 | <i>c = b - a</i> |
| <b>Residential Units</b>                            |                       |                          |                  |
| Village Residential - Low                           | 37                    | 98                       | 61               |
| Village Residential - Medium-Low                    | 123                   | 70                       | (53)             |
| Village Residential - Medium-High: Half-Plex        | 142                   | 0                        | (142)            |
| Village Residential - Medium-High: Condo / Townhome | 168                   | 0                        | (168)            |
| Village Residential - High (15.4 units per acre)    | 200                   | 0                        | (200)            |
| Village Residential - High (20.6 units per acre)    | 330                   | 144                      | (186)            |
| <b>Total Residential Units</b>                      | <b>1,000</b>          | <b>312</b>               | <b>(688)</b>     |

Refer to **Table A-2** in **Appendix A** for a summary of **CEDHSP Scenario** and **Base Case Scenario** land uses evaluated in the Analysis. Refer to **Map 2** for the proposed **CEDHSP Scenario** land use plan map.<sup>7</sup>

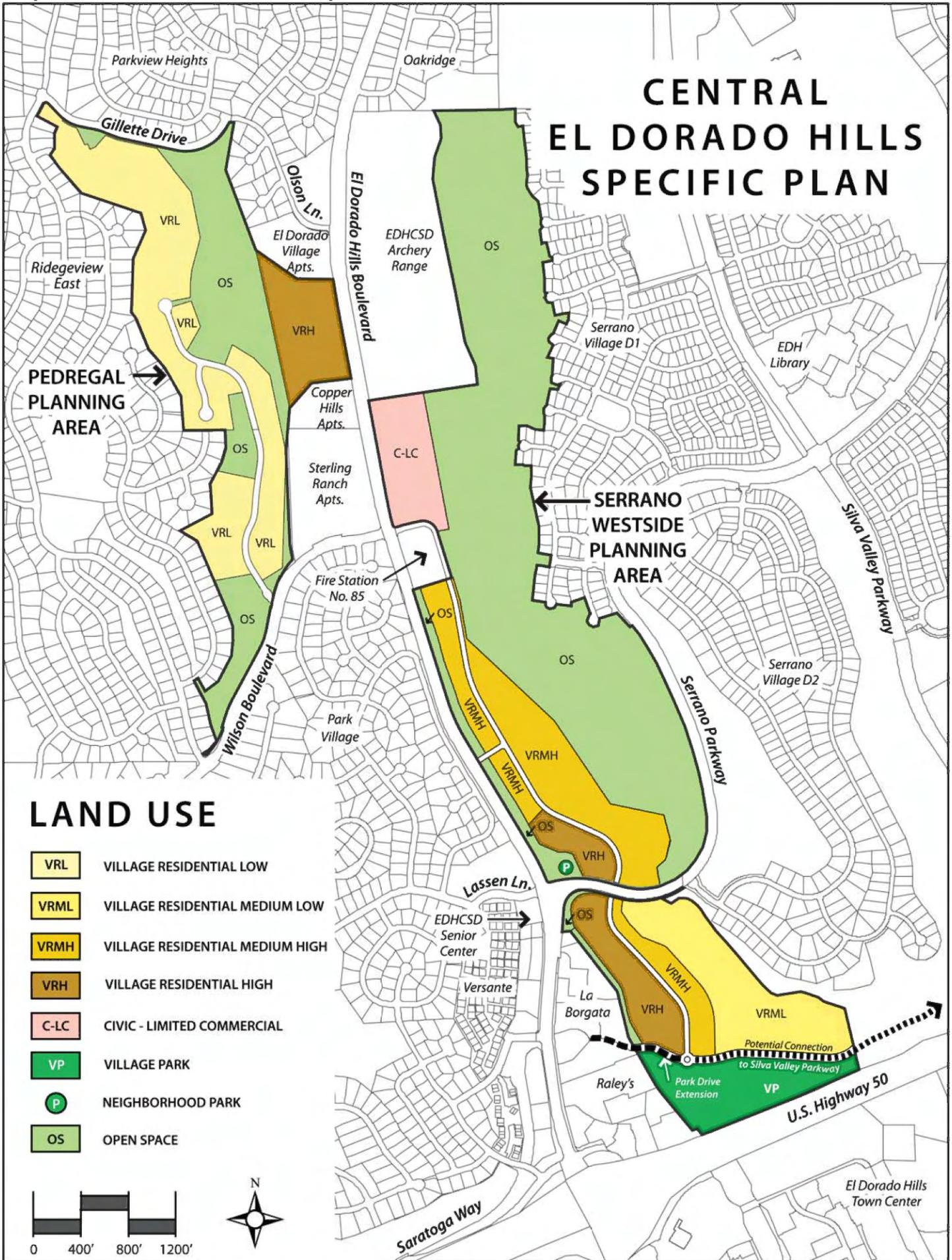
The **CEDHSP Scenario** land use plan contains a mixture of residential densities, civic uses, and public open spaces. Four residential designations accommodate a variety of housing types. A small portion of the **CEDHSP Scenario** accommodates a limited, low-intensity civic use, and larger portions of the **CEDHSP Scenario** are set aside for a public park and natural open space areas for community enjoyment.

The land use plan delivers a range of housing choices for the local population to support existing employers and attract new enterprises. Rather than devoting a significant portion of the Project to high-intensity commercial, retail, and employment-based uses as direct competition to the existing community, the land use plan instead focuses on expanding the surrounding customer base and increasing the diversity of the housing stock through a mixture of residential densities.

As described in the Specific Plan document, the CEDHSP consists of two topographic planning areas. The Serrano Westside Planning Area includes portions of the EDHSP and the former El Dorado Hills Executive Golf Course. The golf course closed in 2007 because of economic and financial constraints. The Pedregal Planning Area is a remainder of the Ridgeview East subdivision. Previous attempts by prior property owners have been unsuccessful, and the property has remained vacant and undeveloped. The land uses for the two planning areas are described in more detail below.

<sup>7</sup> This report does not include a map showing the Project under the Base Case Scenario.

Map 2 Central El Dorado Hills Specific Plan Land Use Plan



## Serrano Westside Planning Area

The Serrano Westside Planning Area includes 763 dwelling units, with 123 single-family detached units, 310 medium-density attached or detached units of various typologies (e.g., half-plexes, condominiums, townhomes), and 330 multifamily attached units (apartments). There is a 15 acre village park site planned, 130 acres of open space, 11 acres designated for a civic use, and 7 acres of right-of-way and landscape lots.

## Pedregal Planning Area

The Pedregal Planning Area includes 237 dwelling units, with 37 single-family detached units and 200 multifamily apartment units. The Pedregal Planning Area also includes 39 acres of open space and 5 acres of right-of-way and landscape lots.

## Land Use Phasing

For the purpose of this Analysis, development of **CEDHSP Scenario** has been organized into three phases, culminating in buildout of the Project at the end of Phase 3. **Table A-3** in **Appendix A** shows the cumulative phasing for **CEDHSP Scenario**. This Analysis is based on the assumption that **Base Case Scenario** will be developed in a single phase. The land uses included in each cumulative phase for **CEDHSP Scenario** are described below:

- **Phase 1 (2016–2020)** includes 409 dwelling units, with 75 single-family detached units, 104 single-family medium-high density detached and attached units, and 230 multifamily attached units. Phase 1 also includes 6 acres of parks, 169 acres of open space, and 10 acres of right-of-way and landscape lots.
- **Phase 2 (2021–2025)** includes 700 dwelling units, with 160 single-family detached units, 310 single-family medium-high density detached and attached units, and 230 multifamily attached units. Phase 2 also includes approximately 11 acres of parks, 169 acres of open space, and 12 acres of right-of-way and landscape lots.
- **Phase 3 (2026–2030: Buildout)** includes 1,000 dwelling units, with 160 single-family detached units, 310 single-family medium-high density detached and attached units, and 530 multifamily attached units. Phase 2 also includes approximately 11 acres of civic use, 15 acres of parks, 169 acres of open space, and 12 acres of right-of-way and landscape lots.

### 3. METHODOLOGY AND ASSUMPTIONS

---

#### **Methodology and Assumptions**

This section details the underlying methodology and assumptions used to estimate the fiscal impacts of the proposed Project on the County, El Dorado Hills Fire Department, and El Dorado Hills CSD. It describes assumptions concerning municipal service delivery, land use development, County General and Road Fund budgeting, and El Dorado Hills Fire Department and El Dorado Hills CSD budgeting. In addition, this section details the methodology used to forecast revenues and expenditures at buildout of the Project under the CEDHSP and Base Case Scenarios.

#### **County Services**

This Analysis examines the Project's ability to generate adequate revenues to cover the County's costs of providing public services to the proposed Project. The services analyzed in this study comprise County General Fund services (e.g., police, general government) and County Road Fund maintenance.

This Analysis does not address activities budgeted in other Governmental Funds or Proprietary Funds, nor does it include an evaluation of capital facilities or funding of capital facilities needed to serve new development.

#### **General Assumptions**

The Analysis is based on the County's Fiscal Year (FY) 2015–16 Board of Supervisors' (BOS) Adopted Budget, El Dorado Hills Fire Department FY 2015-16 budget, El Dorado Hills CSD FY 2015-16 budget, tax regulations and statutes current as of January 2016, and other general assumptions discussed herein. Each revenue item is estimated based on current State legislation and current County practices. Future changes by State legislation or County practices can affect the revenues and expenditures estimated in this Analysis. All costs and revenues are shown in constant 2015 dollars, and general fiscal and demographic assumptions are detailed in **Table A-1** in **Appendix A**.

EPS consulted the County's budget documents to develop forecasting methodologies for specific revenues and expenditures affected by new development in the proposed Project. In addition, EPS consulted with the County's Chief Administrative Office (CAO) and Assessor and Public Safety departments to clarify budget data and review assumptions and Analysis results related to revenue and expenditure estimates. This Analysis also uses information from the developer (estimated assessed values), as well as data from the County Assessor and Auditor-Controller, California Department of Finance (DOF), and the U.S. Bureau of Labor Statistics.

The actual fiscal impacts of new development in the Project will vary from those presented in this study if development plans or other assumptions (e.g., assessed valuations, sales tax revenue assumptions) change from those on which this Analysis is based.

## County General Fund Revenue- and Expenditure-Estimating Assumptions

Offsetting revenues were netted out of both General Fund and Road Fund revenues and expenditures. Offsetting revenues include user fees and charges for services. Because these revenues have specific matching costs, they are netted out of both total revenues and costs. The General Fund Offsetting Revenues total of \$110.7 million, shown in **Table B-1** in **Appendix B**, is netted against various County department expenditures, shown in **Table C-1** in **Appendix C**.

## Development Assumptions

The following list documents additional land use and other development-related assumptions used in this Analysis:

- **Assessed Value.** The estimated assessed value of the Project is presented in **Table D-2** in **Appendix D**. Residential values per dwelling unit were provided by the developer and corroborated by data obtained through a subscription-based online listing service for new home sales (The Gregory Group). To be consistent with the County's budget data, the estimated assessed values for Project land uses are assumed to remain static in 2015 dollar values—real growth in assessed value is not estimated.
- **Residential Population.** Residential population estimates are based on average persons per household (population in occupied housing units in structure) from the American Community Survey for El Dorado Hills census-designated place, as shown in **Table A-4** in **Appendix A**.<sup>8</sup> Buildout population for the CEDHSP and Base Case Scenarios are provided in **Table A-4** and **Table A-5** in **Appendix A**, respectively.

## Revenue-Estimating Methodology

Depending on the revenue item, EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related General and Road Fund revenues.

The marginal-revenue case-study approach simulates actual revenue generation resulting from new development. The case-study approach for estimating sales and use tax revenues, for instance, forecasts market demand and taxable spending from the Project's new residents. Case studies used in this Analysis are discussed in greater detail in the following sections.

The average-revenue approach uses the County's FY 2015–16 budgeted revenue amounts on a countywide per-capita or per-persons-served basis to forecast General Fund and Road Fund revenues derived from estimated residents and employees of the Project.<sup>9</sup> Because the Project

---

<sup>8</sup> Based on average persons per household (population in occupied housing units in structure) for the El Dorado Hills area as reported in the US Census 2009–2013 American Community Survey 5 year averages, per County direction on August 31, 2016.

<sup>9</sup> A *per-capita* basis of estimating revenues is based on the assumption that only residents have a fiscal impact on County revenues. A *per-persons-served* basis of estimating revenues is used to take into account that businesses (and their employees) have a fiscal impact on many County revenues but at a lower level than residential development's impact.

does not contain any commercial uses and thus, employees, the per-capita and per-persons-served populations are identical.

Revenue sources *not* expected to increase as a result of development are excluded from this Analysis. These sources of revenue are not affected by development because they are either one-time revenue sources not guaranteed to be available in the future or there is no direct relation between increased employment growth and increased revenue.

A listing of all County General Fund and Road Fund revenue sources and the corresponding estimating procedure used to forecast future Project revenues is shown in **Table B-1** in **Appendix B**. A summary of revenues at buildout of the Project under the CEDHSP and Base Case Scenarios is shown in **Table B-2** in **Appendix B**.

#### ***Property Tax***

Estimated annual property tax revenue resulting from development in the proposed Project land uses are shown in **Table B-3** in **Appendix B**. The Project falls into two Tax Rate Areas (TRA). Both TRAs comprise the same taxing districts with very similar tax rates, as shown in **Table D-1** in **Appendix D**.

The property taxes the County will receive from the Project are derived from the total assessed value of the Project under the CEDHSP and Base Case Scenarios, as shown in **Table D-2** in **Appendix D** and the County's General Fund and Road Fund average property tax allocation share of the 1-percent ad valorem property tax, as shown in **Table D-1** in **Appendix D**.

#### ***Property Tax in Lieu of Vehicle License Fees***

This Analysis uses a formula provided by the California State Controller's Office to forecast Property Tax in Lieu of Vehicle License Fees (PTIL VLF). PTIL VLF is calculated by taking the percentage increase of the County's assessed value resulting from the Project and applying that percentage share to the County's current State allocation of PTIL VLF. This calculation is shown in **Table B-3** in **Appendix B**.

#### ***Real Property Transfer Tax***

Real property transfer tax is based on the assessed value of the proposed Project land uses and the anticipated turnover of residential property over time. This Analysis is based on the assumption that the proposed Project's residential owner-occupied property will turn over 10 percent per year (or once every 10 years) and residential renter-occupied property will turn over 5 percent per year (or once every 20 years). Real property transfer tax revenue projections are identified in **Table B-4** in **Appendix B**.

#### ***Sales Tax***

The sales tax in this Analysis was estimated based on the Bradley-Burns local 1-percent rate. Sales tax revenues to the County are summarized in **Table B-5** in **Appendix B**.

For residential-only projects, EPS uses the market support methodology to account for taxable sales generated by the Project. The market support methodology measures taxable sales generated from new Project residents who are estimated to spend money in the unincorporated County.

### Market Support Method

The market support method of estimating sales tax revenue combines estimating taxable sales generated by new residents and employees of businesses inside the Project.

New residents are estimated to spend approximately 21 to 32 percent of their household income on taxable retail expenditures, as shown on **Table D-3 in Appendix D**. Under the CEDHSP and Base Case Scenarios, the Analysis estimates the unincorporated County will capture about 65 percent of Project households' taxable retail expenditures, with 35 percent occurring in competing retail outlets outside the unincorporated County.

See **Table B-5** and **Table B-5A in Appendix B** for detailed calculations.

### **Proposition 172**

The County receives approximately 93.5 percent of the gross Proposition 172 Public Safety Sales Tax rate of 0.5 percent on annual taxable sales. See **Table B-5 in Appendix B** for the estimated annual Proposition 172 sales tax revenue generated under the CEDHSP and Base Case Scenarios.

### **County Road Fund Revenues**

The County receives various revenue sources to fund street maintenance in the County. Through discussions with the CAO, this Analysis includes only those revenues that will increase based on new development, including property tax revenue (Road District Tax), gas tax revenue, and licenses and permits revenue.

### **Library Parcel Tax Revenue**

This Analysis includes an estimate of revenue generated from the CSA 10 parcel tax, which funds County library services. Refer to **Table E-1 in Appendix E** for an estimate of parcel tax revenue generated by Project development for informational purposes only. The net fiscal impact of the Project shows the General Fund-funded portion of library expenditures and revenue only, which excludes the library parcel tax revenue. **Table E-1** is included for information purposes only and does not impact the findings of this Analysis.

### **Expenditure-Estimating Methodology**

Expenditure estimates are based on the County's FY 2015–16 BOS Adopted Budget and supplemental information from County and Public Safety Department staff. All County General Fund and Road Fund expenditure items are listed on **Table C-1 in Appendix C**.

County General Fund and Road Fund department expenditures, net of offsetting revenues, which are expected to be affected by the proposed Project, are forecasted using an average-cost approach.

Expenditures affected by residents and employees are projected using a *per-person-served* average expenditure multiplier and include the department functions listed below:

- General Government
- Public Protection (countywide resident and employee services)
- Public Protection (Sheriff patrol)
- Health and Sanitation
- County Road Fund

Expenditures affected by residents only are projected using a *per-capita* average expenditure multiplier and include the department functions listed below:

- Public Protection (countywide resident services)
- Public Assistance
- Education (library)

Because the Project does not contain any commercial uses and thus, employees, the per-capita and per-persons-served populations are identical.

Refer to **Table C-1** in **Appendix C** for a complete listing of expenditures under each department function. Expenditures estimated at buildout of the CEDHSP and Base Case Scenarios are shown in **Table C-2** in **Appendix C**.

### **El Dorado Hills Fire Department Assumptions**

EPS reviewed the El Dorado Hills Fire Department FY 2015-16 budget and consulted with the El Dorado Hills Fire Department's Director of Finance to clarify budget data and review assumptions and Analysis results related to revenue and expenditure estimates. According to the Fire Department's Director of Finance, the fire department does not anticipate an increase in any costs as a result of the Project. The Project will generate property tax revenues for the fire department. The other revenue sources are not expected to be affected by the Project and therefore are not evaluated in this Analysis, based on conversations with the Director of Finance. The Project will be served by the existing Fire Station 85.

### **El Dorado Hills CSD Assumptions**

EPS reviewed the El Dorado Hills CSD FY 2015-16 budget and consulted with the El Dorado Hills CSD's Director of Administration and Finance to clarify budget data and review assumptions and Analysis results related to revenue and expenditure estimates. According to the Director of Administration and Finance, the Project is anticipated to increase the costs of salary and benefits and services and supplies, which are estimated in **Table C-3** in **Appendix C**. The Project will increase property tax, recreation programs, and park and facility rentals revenue for the El Dorado Hills CSD.

## 4. FISCAL IMPACT ANALYSIS

---

### Fiscal Impact Analysis

#### County Revenues

Depending on the revenue item, EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related County General Fund and Road Fund revenues. A listing of all County General Fund and Road Fund revenue sources and the corresponding estimating procedure used to forecast future Project revenues is shown in **Table B-1** in **Appendix B**. A summary of revenues at buildout of the Project under the CEDHSP and Base Case Scenarios is shown in **Table B-2** in **Appendix B**.

As shown on **Table B-1**, EPS used a marginal-revenue case-study approach to estimate the Project-related General Fund and Road Fund revenues for the following revenues: property tax, PTIL VLF, property transfer tax, sales and use tax, Proposition 172 public safety sales tax, and road district tax. EPS used an average-revenue approach to estimate Project-related General Fund and Road Fund revenues for the remaining revenue items that are expected to be affected by the Project and evaluated in this Analysis.

As shown on **Table B-2** in **Appendix B**, the three most significant sources of County General Fund revenues for the Project are Property Taxes, PTIL VLF, and Sales and Use Tax, which comprises more than 80 percent of the total revenues. The total annual revenues for Phase 1, Phase 2, and Phase 3 of the **CEDHSP Scenario** are approximately \$486,000, \$960,000, and \$1.2 million, respectively. The total annual revenue for the **Base Case Scenario** is approximately \$520,000.

The total annual Road Fund revenues for Phase 1, Phase 2, and Phase 3 of the **CEDHSP Scenario** are approximately \$88,000, \$163,000, and \$218,000, respectively. The total annual revenue for the **Base Case Scenario** is approximately \$82,000.

#### County Expenses

Depending on the expense item, EPS used an average-expense approach based on either County persons served, unincorporated persons served, or County per capita to estimate Project-related General Fund and Road Fund expenditures. A listing of all County General Fund and Road Fund expenses sources and the corresponding estimating procedure used to forecast future Project expenses is shown in **Table C-1** in **Appendix C**. A summary of expenses at buildout of the Project under the CEDHSP and Base Case Scenarios is shown in **Table C-2** in **Appendix C**.

As shown on **Table C-2** in **Appendix C**, the most significant sources of County General Fund expenditures for the Project are General Government and Public Protection, which comprises more than 80 percent of the total expenditures. The total annual expenditures, including

non-departmental expenditures,<sup>10</sup> for Phase 1, Phase 2, and Phase 3 of the **CEDHSP Scenario** are approximately \$682,000, \$1.2 million, and \$1.7 million, respectively. The total annual expenditures for the **Base Case Scenario** are approximately \$553,000.

The total annual Road Fund expenditures for Phase 1, Phase 2, and Phase 3 of the **CEDHSP Scenario** are approximately \$112,000, \$196,000, and \$274,000, respectively. The total annual revenue for the **Base Case Scenario** is approximately \$91,000.

## Impacts to the County

### *CEDHSP Scenario*

Under the **CEDHSP Scenario**, the Analysis estimates the Project will result in an annual net fiscal deficit of approximately \$438,000 for the County's General Fund at buildout, including non-departmental expenditures related to the General Plan contingency, the County Health Human Services expenditures for the Area Agency on Aging Problems, the Road Fund, and El Dorado Water and Power Authority (EDWPA) (i.e., development-generated expenditures will exceed the estimated revenues for the Project).

The Analysis also estimates the **CEDHSP Scenario** will result in an annual net fiscal deficit of about \$56,000 for the County's Road Fund at buildout. The County Road Fund is estimated to result in a net fiscal deficit of approximately \$24,000 in Phase 1 and \$33,000 in Phase 2. Base Case Scenario

### *Base Case Scenario*

Under the **Base Case Scenario**, the Analysis estimates the Project will result in an annual net fiscal deficit of approximately \$33,000 for the County's General Fund at buildout including non-departmental expenditures related to the General Plan contingency, the County Health Human Services expenditures for the Area Agency on Aging Problems, the Road Fund, and EDWPA (i.e., development-generated expenditures will exceed the estimated revenues for the Project).

The Analysis also estimates the **Base Case Scenario** will result in an annual net fiscal deficit of about \$9,000 for the County's Road Fund.

## Impacts to the El Dorado Hills Fire Department

EPS used a marginal-revenue case-study approach to estimate Project-related General Fund property tax revenue for the El Dorado Hills Fire Department, as shown on **Table B-3 in Appendix B**. Approximately 17.8 percent of property tax revenue generated by the Project goes to the El Dorado Hills Fire Department, which results in property tax revenue of approximately \$649,000 for the **CEDHSP Scenario** at buildout and approximately \$287,000 for the **Base Case Scenario**. Based on correspondence with the El Dorado Hills Fire Department Finance Director, there are no anticipated annual marginal increases in annual fixed assets, operations, or staffing costs related to the Project.

---

<sup>10</sup> Non-departmental expenditures include General Plan contingency, the County Health Human Services expenditures for the Area Agency on Aging Problems, the Road Fund, and EDWPA.

Under the **CEDHSP Scenario**, the Analysis estimates the Project will result in an annual net fiscal surplus during each phase of development and at buildout. Under the **Base Case Scenario**, the Analysis estimates the Project will result in an annual net fiscal surplus at buildout.

### **Impacts to the El Dorado Hills CSD**

EPS used a marginal-revenue case-study approach to estimate Project-related General Fund property tax revenue for the El Dorado Hills CSD, as shown on **Table B-3** in **Appendix B**. Approximately 8.2 percent of property tax revenue generated by the Project goes to the El Dorado Hills CSD, which results in property tax revenue of approximately \$298,000 for the **CEDHSP Scenario** at buildout and approximately \$132,000 for the **Base Case Scenario** at buildout. EPS used an average-revenue approach to estimate Project-related General Fund recreation program and park and facility rental revenues for the El Dorado Hills CSD, which amounts to approximately \$108,000 for the **CEDHSP Scenario** at buildout and approximately \$36,000 for the **Base Case Scenario** at buildout.

This Analysis only includes the El Dorado Hills CSD General Fund expenditures, based on conversations with the Director of Administration and Finance who confirmed no other funds will be impacted by the Project.

Under the **CEDHSP Scenario**, the Analysis estimates the Project will result in an annual net fiscal surplus during all phases of development. Under the **Base Case Scenario**, the Analysis estimates the Project will result in an annual net fiscal surplus at buildout.

## 5. CONCLUSIONS AND FUNDING SOURCES TO MITIGATE FISCAL DEFICITS

---

### Annual Net Fiscal Impacts to the County

Under the **CEDHSP Scenario**, the Project is estimated to result in a net fiscal deficit to the General Fund of approximately \$438,000 annually at buildout (Phase 3).<sup>11</sup> Similarly, Phase 1 and Phase 2 of the Project are anticipated to realize a smaller net fiscal deficit to the General Fund of \$196,000 and \$230,000 annually, respectively. The County Road Fund is estimated to result in a net fiscal deficit of \$24,000, \$33,000, and \$56,000 in Phase 1, Phase 2, and at buildout (Phase 3), respectively.

Under the **Base Case Scenario**, this Analysis estimates a net fiscal deficit of \$33,000 annually at buildout. The County Road Fund is anticipated to realize a net fiscal deficit of \$9,000 under the **Base Case Scenario**.

### Annual Net Impacts to the El Dorado Hills Fire Department

The Project is anticipated to result in a net fiscal surplus across all phases of development and both scenarios for the El Dorado Hills Fire Department. Based on correspondence with the El Dorado Hills Fire Department Finance Director, there are no anticipated annual marginal increases in annual fixed assets, operations, or staffing costs related to the Project. Under the **CEDHSP Scenario**, this Analysis estimates net fiscal surpluses of \$257,000, \$515,000, and \$649,000 in Phases 1, 2, and 3, respectively. The net annual fiscal surplus under the **Base Case Scenario** is approximately \$287,000 annually.

### Annual Net Impacts to the El Dorado Hills CSD

This Analysis estimates the Project will result in a net fiscal surplus to the El Dorado Hills CSD General Fund across all phases and scenarios. Based on conversations with the El Dorado Hills CSD, this Analysis is based on the assumption that no other funds will be impacted by development of the Project. Under the **CEDHSP Scenario**, Phases 1, 2, and 3 are estimated to realize a net annual fiscal surplus of approximately \$18,000, \$55,000, and \$59,000, respectively. **The Base Case Scenario** results in an annual surplus of approximately \$168,000.

### Funding Sources to Mitigate Fiscal Deficits

As described previously, the proposed **CEDHSP Scenario** results in an annual net fiscal deficit for the County's General Fund in all phases of development. As is typical of fiscal impact analyses that evaluate residential-only projects or residential projects with a significant amount

---

<sup>11</sup> Net fiscal surplus/deficit to the General Fund non-departmental expenditures related to General Plan contingency, the County Health Human Services expenditures for the Area Agency on Aging Problems, the Road Fund, and the EDWPA.

of high-density units, the **CEDHSP Scenario** results in an annual net fiscal deficit for the County's General Fund.<sup>12</sup> Levying a special tax on new development through a Mello-Roos CFD for services is a common funding mechanism used to mitigate annual net fiscal deficits.

The 1982 Mello-Roos CFD Act enables the County to establish a CFD to levy special taxes to fund a wide variety of ongoing operations and maintenance costs, including public safety and roadway services. Alternatively, an Assessment District could be formed, under the Benefit Assessment District Act of 1982, to fund road operation and maintenance costs. However, a single Mello-Roos CFD to fund all services not funded through estimated General Fund revenues would reduce administrative costs and reflect a more streamlined funding strategy. In addition, Mello-Roos CFDs tend to be favored over Assessment Districts because Assessment Districts need to establish special benefit to those being assessed, which can be more challenging than the Mello-Roos requirement of establishing general benefit. Actual mechanisms to fund ongoing operations and maintenance deficits resulting from Project development will be determined through development agreement (DA) discussions.

If a Services CFD is implemented to fund the estimated annual net fiscal deficit for the County's General Fund and Road Fund, this Analysis estimates the maximum special tax rates by land use category. **Table 3** provides a summary of revenue generated by these maximum special tax rates. As shown, these tax rates will generate sufficient revenue to cover estimated County General and Road Fund deficits. As necessary, tax rates can be adjusted over time as the estimated net fiscal impact decreases. Preliminary evaluations of financial feasibility indicate that the tax burden may be within the range of feasibility for all residential units.<sup>13</sup> Note that these tax rates are an estimate, and actual rates will be determined through negotiations between the County and Project applicant.

As stated previously, the primary reason for the annual net fiscal deficit is the number of high-density, relatively lower assessed value residential development included in the Project, as well as the exclusion of any sales tax revenue-generating commercial uses, relative to the service costs associated with new population growth in the County. The **CEDHSP Scenario** land use plan helps the County to meet many of its General Plan goals. If the **CEDHSP Scenario** land use plan replaced the high-density residential units with low- to medium-low density units, the net fiscal impact on the County would be a significantly lower deficit or neutral. Approximately 53 percent of the Project's residential land uses (in the **CEDHSP Scenario**) are high-density residential uses.

The **CEDHSP Scenario** includes nearly 70 percent of the total units with an assessed value of less than \$400,000, 530 multifamily units with an assessed value of \$250,000, and 168 medium-high density units with an assessed value of \$375,000 per unit. According to the Project applicant, the residual land value for the 530 multifamily units is close to zero, and the residual land value for 168 units is very low. The residual land value break-even per unit assessed value is approximately \$400,000. Implementation of a services CFD special tax would further reduce

---

<sup>12</sup> The **Base Case Scenario** results in a significantly smaller net fiscal deficit because of the substantial amount of highly valued, low-density units in the Project.

<sup>13</sup> Financial feasibility will be evaluated in more detail in a separate Project Financing Plan document.

**Table 3  
 Central El Dorado Hills Specific Plan Area  
 Fiscal Impact Analysis  
 CEDHSP Estimated Services Special Tax Revenue (2015\$)**

| Item                         | Cumulative Units |            |              | County Services CFD Tax Rate |           | Cumulative Special Tax Revenue (Rounded) |                 |                  |                 |                    |                 |
|------------------------------|------------------|------------|--------------|------------------------------|-----------|--|-----------------|------------------|-----------------|--------------------|-----------------|
|                              | Phase 1          | Phase 2    | Phase 3      | General Fund                 | Road Fund | Phase 1                                  |                 | Phase 2          |                 | Phase 3 (Buildout) |                 |
|                              |                  |            |              |                              |           | General Fund                             | Road Fund       | General Fund     | Road Fund       | General Fund       | Road Fund       |
| <b>Residential Land Uses</b> |                  |            |              |                              |           |  |                 |                  |                 |                    |                 |
| Low                          | 15               | 37         | 37           | \$670                        | \$80      | \$10,100                                 | \$1,200         | \$24,800         | \$3,000         | \$24,800           | \$3,000         |
| Medium-Low                   | 60               | 123        | 123          | \$670                        | \$80      | \$40,200                                 | \$4,800         | \$82,400         | \$9,800         | \$82,400           | \$9,800         |
| Medium-High: Half-Plex       | 22               | 142        | 142          | \$535                        | \$65      | \$11,800                                 | \$1,400         | \$76,000         | \$9,200         | \$76,000           | \$9,200         |
| Medium-High: Condo/Townhome  | 82               | 168        | 168          | \$535                        | \$65      | \$43,900                                 | \$5,300         | \$89,900         | \$10,900        | \$89,900           | \$10,900        |
| High (15.4 units per acre)   | 0                | 0          | 200          | \$405                        | \$50      | \$0                                      | \$0             | \$0              | \$0             | \$81,000           | \$10,000        |
| High (20.6 units per acre)   | 230              | 230        | 330          | \$405                        | \$50      | \$93,200                                 | \$11,500        | \$93,200         | \$11,500        | \$133,700          | \$16,500        |
| <b>Total Residential</b>     | <b>409</b>       | <b>700</b> | <b>1,000</b> |                              |           | <b>\$199,200</b>                         | <b>\$24,200</b> | <b>\$366,300</b> | <b>\$44,400</b> | <b>\$487,800</b>   | <b>\$59,400</b> |

tax rev

the residual land value. A less dense project with higher assessed values would avoid the need for a services CFD special tax similar to the **CEDHSP Scenario**, but such a project would not promote attainment of the numerous General Plan policies described below. Furthermore, a CFD services tax will be passed onto the owner of the property, which could result in increased income requirements or increased rents.

Despite the potential net fiscal deficit to the County, residential-only projects or residential projects with a significant amount of high-density, relatively more affordable residential units are important components of regional and countywide planning efforts in providing housing options to a spectrum of household incomes. In particular, the Project applicant believes this Project is important to the County in meeting its General Plan goals and policies and assisting the County in meeting RHNA requirements.<sup>14</sup>

Furthermore, as discussed in the Specific Plan, the CEDHSP is within the established Community Region of El Dorado Hills, a General Plan designation that denotes a geographic area in the County with suitable infrastructure and the ability to support higher density land uses.<sup>15</sup> With the goals of the General Plan in mind, the intent of the CEDHSP land use plan is to accommodate the long-term growth needs of the County, while establishing a concentrated, compact development pattern with regionally and countywide balanced housing, employment, shopping, and recreation uses. According to the General Plan, an important goal of the County is the provision of adequate and affordable housing opportunities.

The CEDHSP is the ideal location for a significant amount of high-density, relatively more affordable residential development, given the Project's location, including the General Plan designation of being located in a Community Region. The vision for the CEDHSP is to integrate land uses in El Dorado Hills by locating a range of housing alternatives adjacent to existing services to meet future population demands. The land use plan promotes a socially and economically diverse community for a range of ages, household types, and incomes. All of these outcomes are desired objectives of the General Plan Community Region designation.

It should be noted that ongoing maintenance of facilities in the Project (e.g., roads) is anticipated to be funded through creation of a private homeowners' association (HOA), similar to the HOA established for the proximate Serrano project. Further, other taxing entities distinct from the County, including the El Dorado Hills Fire District and the El Dorado Hills CSD, will provide fire and park services to Project residents, which are analyzed separately in this Analysis.

---

<sup>14</sup> El Dorado County 2013-2021 Housing Element adopted in October 2013 goals and policies contained therein: Goal HO-1—To provide for housing that meets the needs of existing and future residents in all income categories; Goal HO-2—To provide quality residential environments for all income levels.

<sup>15</sup> El Dorado County 2013-2021 Housing Element adopted in October 2013 goals and policies contained therein: Policy HO-1.5—The County shall direct higher density residential development to Community Regions and Rural Centers.



## APPENDICES:

- Appendix A: General Assumptions
- Appendix B: County General and Road Fund Revenue Analysis
- Appendix C: County General and Road Fund Expenditure Analysis
- Appendix D: Supporting Tables for Revenue Analyses
- Appendix E: Library Parcel Tax Revenue



## APPENDIX A: General Assumptions

|           |  |     |
|-----------|--|-----|
| Table A-1 | General Assumptions .....  | A-1 |
| Table A-2 | Land Use Summary at Buildout by Scenario .....                   | A-2 |
| Table A-3 | Estimated Cumulative Phasing .....                               | A-3 |
| Table A-4 | Estimated Cumulative Residential<br>Population by Scenario ..... | A-4 |
| Table A-5 | Land Use Assumptions .....                                       | A-5 |

**Table A-1  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
General Assumptions**

| Item   | Assumption     |
|--|----------------|
| <b>General Assumptions</b>   |                |
| Base Fiscal Year [1]   | FY 2015-16     |
| <b>Property Turnover Rate (% per year) [2]</b>                           |                |
| Residential Owner-Occupied   | 10.0%          |
| Residential Renter-Occupied  | 5.0%           |
| <b>General Demographic Characteristics</b>                               |                |
| <b>Total Countywide</b>  |                |
| El Dorado County Population [3]  | 183,750        |
| El Dorado County Employees [4]   | 60,600         |
| <b>El Dorado County Persons Served [5]</b>                               | <b>214,050</b> |
| <b>Unincorporated County</b>   |                |
| El Dorado County Unincorporated Population [3]                           | 152,241        |
| El Dorado County Unincorporated Employees [4]                            | 39,500         |
| <b>El Dorado County Unincorporated Persons Served [5]</b>                | <b>171,991</b> |
| <b>El Dorado Hills Community Service District Service Population [6]</b> | <b>39,855</b>  |

"gen\_assumps"

Source: California Department of Finance; California EDD; ESRI Business Analyst Online; Us Census; EPS.

[1] Reflects El Dorado County budget adopted by the Board of Supervisors, the preliminary budget provided by the El Dorado Hills Fire Department, and the El Dorado Hills Community Services District approved budget for Fiscal Year 2015-16. Revenues and expenditures are in 2015 dollars. This Analysis does not reflect changes in values resulting from inflation or appreciation.

[2] Property turnover rates based on EPS research.

[3] Based on population estimates from the California Department of Finance (DOF) data for January 1, 2016.

[4] US Census Onthemap.ces.census.gov estimated a total of 52,622 jobs in El Dorado County in 2014 and 34,366 in the Unincorporated El Dorado County. California EDD reports an annual average growth rate of 2.28% since 2014 for the Sacramento MSA. EPS escalated 2014 employment figure to arrive at 2016 employment estimate, adjusted by an additional 10% to account for self-employed workers, and rounded to the nearest hundred employees.

[5] Defined as total County population plus half of total County employees.

[6] Based on the ESRI Demographic and Income Profile for 2016.

**Table A-2**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Land Use Summary at Buildout by Scenario**

| Land Use   | Scenario 1: CEDHSP |                   |                | Scenario 2: Base Case |                 |                |
|--|--------------------|-------------------|----------------|-----------------------|-----------------|----------------|
|  | Acreage            | Average Density   | Dwelling Units | Acreage               | Average Density | Dwelling Units |
| <b>Residential Land Uses [1]</b>                       |                    | <i>Units/Acre</i> |                |                       |                 |                |
| Village Residential - Low                              | 45.0               | 0.8               | 37             | 73.5                  | 1.3             | 98             |
| Village Residential - Medium-Low                       | 23.0               | 5.3               | 123            | 13.0                  | 5.4             | 70             |
| Village Residential - Medium-High: Half-Plex           | 22.0               | 6.5               | 142            | 0.0                   | -               | 0              |
| Village Residential - Medium-High: Condo/Townhome      | 15.0               | 11.2              | 168            | 0.0                   | -               | 0              |
| Village Residential - High                             | 13.0               | 15.4              | 200            | 0.0                   | -               | 0              |
| Village Residential - High                             | 16.0               | 20.6              | 330            | 6.3                   | 22.9            | 144            |
| <b>Total Residential</b>                               | <b>134.0</b>       |                   | <b>1,000</b>   | <b>92.8</b>           |                 | <b>312</b>     |
| <b>Other Land Uses [2]</b>                             |                    |                   |                |                       |                 |                |
| Civic Use  | 11.0               |                   | -              | 0.0                   |                 | -              |
| Village Park   | 15.0               |                   | -              | 0.0                   |                 | -              |
| Open Space   | 169.4              |                   | -              | 235.0                 |                 | -              |
| Road Right-of-Way and Landscape Lots                   | 12.0               |                   | -              | 13.0                  |                 | -              |
| <b>Total Other Land Uses</b>                           | <b>207.4</b>       |                   | <b>-</b>       | <b>248.0</b>          |                 | <b>-</b>       |
| <b>Total Central El Dorado Hills Specific Plan [3]</b> | <b>341.4</b>       |                   | <b>1,000</b>   | <b>340.8</b>          |                 | <b>312</b>     |

"lu\_summ"

Source: Central El Dorado Hills Specific Plan Partial Recirculated Draft Environmental Impact Report (April 2016), prepared by ICF International; Serrano Associates LLC; EPS.

[1] Low-density units (including medium-low) are assumed to be detached single-family units; medium density half-plexes, condominiums, and townhomes and high-density units are assumed to be attached multifamily units. High-density units are assumed to be renter-occupied; all other units are assumed to be owner-occupied.

[2] Not evaluated in this analysis as these land uses don't impact the County operating budget.

[3] Land use acres based on the Central El Dorado Hills Specific Plan Partial Recirculated Draft Environmental Impact Report (April 2016). Difference in total project acres is due to rounding.

**Table A-3  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Estimated Cumulative Phasing**

| Land Use  | Cumulative Units/Acreage |            |                         |                         |
|---|--------------------------|------------|-------------------------|-------------------------|
|   | Scenario 1: CEDHSP       |            |                         | Scenario 2:             |
|   | 2016-2020                | 2021-2025  | 2026-2030<br>(Buildout) | Base Case<br>(Buildout) |
| <b>Residential Units [1]</b>                      |                          |            |                         |                         |
| Village Residential - Low                         | 15                       | 37         | 37                      | 98                      |
| Village Residential - Medium-Low                  | 60                       | 123        | 123                     | 70                      |
| Village Residential - Medium-High: Half-Plex      | 22                       | 142        | 142                     | 0                       |
| Village Residential - Medium-High: Condo/Townhome | 82                       | 168        | 168                     | 0                       |
| Village Residential - High (15.4 units per acre)  | 0                        | 0          | 200                     | 0                       |
| Village Residential - High (20.6 units per acre)  | 230                      | 230        | 330                     | 144                     |
| <b>Total Residential Units</b>                    | <b>409</b>               | <b>700</b> | <b>1,000</b>            | <b>312</b>              |

*"s1 phasing"*

Source: EID SB 610 Water Supply Assessment for the Central El Dorado Hills Specific Plan (August 2013);  
Serrano Associates LLC; EPS.

[1] Low-density units (including medium-low) are assumed to be detached single-family units; medium-density half-plexes, condominiums, and townhomes and high-density units are assumed to be attached multifamily units.

**Table A-4**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Estimated Cumulative Residential Population by Scenario**

| Land Use  | Cumulative Residential Population [1] |              |                         |                         |
|---|---------------------------------------|--------------|-------------------------|-------------------------|
|   | Scenario 1: CEDHSP                    |              |                         | Scenario 2:             |
|   | 2016-2020                             | 2021-2025    | 2026-2030<br>(Buildout) | Base Case<br>(Buildout) |
| <b>Residential Population</b>                     |                                       |              |                         |                         |
| Village Residential - Low                         | 46                                    | 113          | 113                     | 300                     |
| Village Residential - Medium-Low                  | 184                                   | 376          | 376                     | 214                     |
| Village Residential - Medium-High: Half-Plex      | 57                                    | 371          | 371                     | 0                       |
| Village Residential - Medium-High: Condo/Townhome | 214                                   | 438          | 438                     | 0                       |
| Village Residential - High                        | 0                                     | 0            | 498                     | 0                       |
| Village Residential - High                        | 573                                   | 573          | 822                     | 359                     |
| <b>Total Residential Population</b>               | <b>1,074</b>                          | <b>1,871</b> | <b>2,618</b>            | <b>873</b>              |
| <b>Total Persons Served [2]</b>                   | <b>1,074</b>                          | <b>1,871</b> | <b>2,618</b>            | <b>873</b>              |

"popemp"

Source: EPS.

[1] Refer to Table A-5 for persons per dwelling unit assumptions.

[2] Total Persons Served is defined as 100% residential population and 50% of employees.

Since there are no employees in the project, persons served equals the residential population.

**Table A-5  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Land Use Assumptions**

| Land Use  | Estimated Assessed Value [1] | Turnover Rate | Persons per Dwelling Unit [2] |
|---|------------------------------|---------------|-------------------------------|
| <b>Residential Land Uses</b>                      |                              |               |                               |
|   | <i>Per Unit</i>              |               |                               |
| Village Residential - Low                         | \$900,000                    | 10%           | 3.06                          |
| Village Residential - Medium-Low                  | \$525,000                    | 10%           | 3.06                          |
| Village Residential - Medium-High: Half-Plex      | \$500,000                    | 10%           | 2.61                          |
| Village Residential - Medium-High: Condo/Townhome | \$375,000                    | 10%           | 2.61                          |
| Village Residential - High                        | \$250,000                    | 5%            | 2.49                          |
| Village Residential - High                        | \$250,000                    | 5%            | 2.49                          |

*"lu\_assumps"*

Source: U.S. Census Bureau, 2009-2013 American Community Survey; ULI; Serrano Associates LLC; The Gregory Group; MLS; EPS.

- [1] Residential values based on weighted average value of comparable products in and surrounding El Dorado Hills provided by Serrano Associates LLC as well as values collected from the Gregory Group as of July 2016 and Multiple Listing Service (MLS) for 2016.
- [2] Based on average persons per household (population in occupied housing units in structure) for the El Dorado Hills area as reported in the US Census 2009-2013 American Community Survey 5 year averages, per County direction on August 31, 2016.



## APPENDIX B: County General and Road Fund Revenue Analysis

|            |  |     |
|------------|--|-----|
| Table B-1  | Revenue-Estimating Procedures (2 pages) .....  | B-1 |
| Table B-2  | Estimated Annual Project Revenues by Scenario .....                                      | B-3 |
| Table B-3  | Estimated Annual Property Tax Revenues by Scenario .....                                 | B-4 |
| Table B-4  | Real Property Transfer Tax by Scenario .....   | B-5 |
| Table B-5  | Estimated Annual Taxable Sales and Use Tax<br>Revenue by Scenario .....                  | B-6 |
| Table B-5A | Estimated Annual Taxable Sales from Proposed<br>Development, Market Support Method ..... | B-7 |

**Table B-1  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Revenue-Estimating Procedures**

| Item   | Estimating Procedure     | Case Study Reference | FY 2015-16 Revenues  | Offsetting Revenues [1] | Net Annual General Fund Revenues | Service Population [2] | Revenue Multiplier |
|--|--------------------------|----------------------|----------------------|-------------------------|----------------------------------|------------------------|--------------------|
| <i>BOS Adopted Budget</i>                    |                          |                      |                      |                         |                                  |                        |                    |
| <b>County General Fund Revenues</b>          |                          |                      |                      |                         |                                  |                        |                    |
| Property Tax                                 | Case Study               | Table B-3            | \$59,903,000         | (\$127,000)             | \$59,776,000                     | NA                     | -                  |
| Property Tax in Lieu of VLF                  | Case Study               | Table B-3            | \$17,655,000         | \$0                     | \$17,655,000                     | NA                     | -                  |
| Property Transfer Tax                        | Case Study               | Table B-4            | \$2,016,000          | \$0                     | \$2,016,000                      | NA                     | -                  |
| Sales and Use Tax                            | Case Study               | Table B-5            | \$11,089,000         | \$0                     | \$11,089,000                     | NA                     | -                  |
| Transient Occupancy Tax                      | [4]                      | -                    | \$2,838,000          | (\$279,000)             | \$2,559,000                      | NA                     | -                  |
| Other Taxes                                  | [4]                      | -                    | \$3,083,000          | \$0                     | \$3,083,000                      | NA                     | -                  |
| Prop. 172 Public Safety Sales Tax            | Case Study               | Table B-5            | \$9,803,000          | \$0                     | \$9,803,000                      | NA                     | -                  |
| Licenses, Permits and Franchises             | Unincorp. Persons Served | -                    | \$8,284,000          | (\$6,571,000)           | \$1,713,000                      | 171,991                | \$9.96             |
| Fines, Forfeitures, & Penalties              | County Persons Served    | -                    | \$878,000            | (\$622,000)             | \$256,000                        | 214,050                | \$1.20             |
| Use of Money & Property                      | [4]                      | -                    | \$191,000            | (\$21,000)              | \$170,000                        | NA                     | -                  |
| Charges for Services                         | County Persons Served    | -                    | \$22,545,000         | (\$17,517,000)          | \$5,028,000                      | 214,050                | \$23.49            |
| Intergovernmental Revenues [3]               | [4]                      | -                    | \$54,601,000         | (\$43,418,000)          | \$11,183,000                     | NA                     | -                  |
| Miscellaneous Revenues                       | [4]                      | -                    | \$2,482,000          | (\$2,482,000)           | \$0                              | NA                     | -                  |
| Operating Transfers In                       | [4]                      | -                    | \$39,627,000         | (\$39,627,000)          | \$0                              | NA                     | -                  |
| <b>Subtotal County General Fund Revenues</b> |                          |                      | <b>\$234,995,000</b> | <b>(\$110,664,000)</b>  | <b>\$124,331,000</b>             |                        |                    |
| Fund Balance                                 | [4]                      | -                    | \$30,809,000         | -                       | -                                | -                      | -                  |
| <b>Total County General Fund Revenues</b>    |                          |                      | <b>\$265,804,000</b> | -                       | -                                | -                      | -                  |
| <b>County Road Fund Revenues [5]</b>         |                          |                      |                      |                         |                                  |                        |                    |
| Taxes  | [4]                      | -                    | \$53,000             | (\$53,000)              | \$0                              | NA                     | -                  |
| Licenses and Permits                         | County Persons Served    | -                    | \$662,000            | \$0                     | \$662,000                        | 214,050                | \$3.09             |
| Charges for Services                         | [4]                      | -                    | \$5,676,000          | (\$5,676,000)           | \$0                              | NA                     | -                  |
| Use of Money and Property                    | [4]                      | -                    | \$33,000             | (\$33,000)              | \$0                              | NA                     | -                  |
| State Highway Users (Gas) Tax                | Unincorp. Co. Per Capita | -                    | \$7,031,000          | \$0                     | \$7,031,000                      | 152,241                | \$46.18            |
| Intergovernmental                            | [4]                      | -                    | \$22,073,000         | (\$22,073,000)          | \$0                              | NA                     | -                  |
| Miscellaneous Revenues                       | [4]                      | -                    | \$2,142,000          | (\$2,142,000)           | \$0                              | NA                     | -                  |
| Road District Tax                            | Case Study               | Table B-3            | \$6,142,000          | \$0                     | \$6,142,000                      | NA                     | -                  |
| Operating Transfers In                       | [4]                      | -                    | \$19,877,000         | (\$19,877,000)          | \$0                              | NA                     | -                  |
| <b>Subtotal County Road Fund Revenues</b>    |                          |                      | <b>\$63,689,000</b>  | <b>(\$49,854,000)</b>   | <b>\$13,835,000</b>              |                        |                    |
| Fund Balance                                 | [4]                      | -                    | \$8,526,000          | -                       | -                                | -                      | -                  |
| <b>Total County Road Fund Revenues</b>       |                          |                      | <b>\$72,215,000</b>  | -                       | -                                | -                      | -                  |

**Table B-1  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Revenue-Estimating Procedures**

| Item  | Estimating Procedure | Case Study Reference | FY 2015-16 Revenues | Offsetting Revenues [1] | Net Annual General Fund Revenues | Service Population [2] | Revenue Multiplier |
|---|----------------------|----------------------|---------------------|-------------------------|----------------------------------|------------------------|--------------------|
| <i>Preliminary Budget</i>   |                      |                      |                     |                         |                                  |                        |                    |
| <b>El Dorado Hills Fire Department Revenue [6]</b>                |                      |                      |                     |                         |                                  |                        |                    |
| Property Tax Revenue  | Case Study           | Table B-3            | \$14,020,000        | \$0                     | \$14,020,000                     | NA                     | -                  |
| Property Tax Latrobe Portion                                      | [4]                  | -                    | \$413,000           | \$0                     | \$413,000                        | NA                     | -                  |
| Supplemental Property Tax   | [4]                  | -                    | \$135,000           | \$0                     | \$135,000                        | NA                     | -                  |
| Prevention Fees   | [4]                  | -                    | \$15,000            | \$0                     | \$15,000                         | NA                     | -                  |
| Miscellaneous Revenue   | [4]                  | -                    | \$110,000           | \$0                     | \$110,000                        | NA                     | -                  |
| Interest  | [4]                  | -                    | \$40,000            | \$0                     | \$40,000                         | NA                     | -                  |
| OES Reimbursement   | [4]                  | -                    | \$250,000           | \$0                     | \$250,000                        | NA                     | -                  |
| Development Fees  | [4]                  | -                    | \$75,000            | \$0                     | \$75,000                         | NA                     | -                  |
| Transfers   | [4]                  | -                    | \$5,605,000         | \$0                     | \$5,605,000                      | NA                     | -                  |
| <b>Subtotal El Dorado Hills Fire Dept. Revenue</b>                |                      |                      | <b>\$20,663,000</b> | <b>\$0</b>              | <b>\$20,663,000</b>              |                        |                    |
| <b>Total El Dorado Hills Fire Department Revenues</b>             |                      |                      | <b>\$20,663,000</b> | -                       | -                                | -                      | -                  |
| <i>Approved Budget</i>  |                      |                      |                     |                         |                                  |                        |                    |
| <b>El Dorado Hills Community Services District Revenues [7]</b>   |                      |                      |                     |                         |                                  |                        |                    |
| Franchise Fees  | [4]                  | -                    | \$708,000           | \$0                     | \$708,000                        | NA                     | -                  |
| Miscellaneous Revenue   | [4]                  | -                    | \$29,000            | \$0                     | \$29,000                         | NA                     | -                  |
| Recreation Programs   | Service Population   | -                    | \$1,442,000         | \$0                     | \$1,442,000                      | 39,855                 | \$36.18            |
| Property Tax Revenue  | Case Study           | Table B-3            | \$5,502,000         | \$0                     | \$5,502,000                      | NA                     | -                  |
| Reimbursements  | [4]                  | -                    | \$485,000           | \$0                     | \$485,000                        | NA                     | -                  |
| Park and Facility Rentals   | Service Population   | -                    | \$204,000           | \$0                     | \$204,000                        | 39,855                 | \$5.12             |
| Transfer In   | [4]                  | -                    | \$0                 | \$0                     | \$0                              | NA                     | -                  |
| Wireless Tower Lease  | [4]                  | -                    | \$64,000            | \$0                     | \$64,000                         | NA                     | -                  |
| <b>Total El Dorado Hills Community Services District Revenue</b>  |                      |                      | <b>\$8,433,000</b>  | <b>\$0</b>              | <b>\$8,433,000</b>               |                        |                    |
| <b>Total El Dorado Hills Community Services District Revenues</b> |                      |                      | <b>\$8,433,000</b>  | -                       | -                                | -                      | -                  |

"rev\_pro"

Source: El Dorado County FY 2015-16 BOS Adopted Budget; El Dorado County CAO; EPS.

- [1] Represents revenues dedicated to specific department functions. These revenues are deducted from corresponding General Fund departments, reflected in the Net County Cost figures shown in Table C-1.
- [2] Calculated in Table A-1.
- [3] Does not include Property Tax in Lieu of VLF or State Highway Users Tax revenues, as these are analyzed separately in this analysis.
- [4] This revenue source is not expected to be affected by the Project and therefore is not evaluated in this analysis.
- [5] Offsetting revenues related to Licenses and Permits, Gas Tax, and the Road District Tax were excluded in order to estimate revenues based on Project development. These offsetting revenues were not deducted from Road Fund expenditures, as shown in Table C-1.
- [6] As stated in the preliminary 2015/16 budget approved June 18, 2015, annual revenues are greater than budgeted expenditures by \$186,848.
- [7] El Dorado Hills Community Services District revenue relates to the general fund revenue only. El Dorado Hills Community Services District confirmed no other funds will be impacted by the Project.

**Table B-2  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Estimated Annual Project Revenues by Scenario (2015\$)**

| Revenues  | Annual Net Revenues by Scenario |                  |                      |                                  | Difference at Buildout |
|---|---------------------------------|------------------|----------------------|----------------------------------|------------------------|
|   | Scenario 1: CEDHSP              |                  | 2026-2030 (Buildout) | Scenario 2: Base Case (Buildout) |                        |
|   | 2016-2020                       | 2021-2025        |                      |                                  |                        |
| <i>Formula</i>  |                                 |                  | <i>a</i>             | <i>b</i>                         | <i>c = b - a</i>       |
| <b>County General Fund Revenues</b>                               |                                 |                  |                      |                                  |                        |
| Property Tax  | \$271,000                       | \$543,000        | \$684,000            | \$302,000                        | (\$382,000)            |
| Property Tax in Lieu of VLF                                       | \$89,000                        | \$179,000        | \$226,000            | \$100,000                        | (\$126,000)            |
| Property Transfer Tax   | \$13,000                        | \$29,000         | \$33,000             | \$16,000                         | (\$17,000)             |
| Sales and Use Tax   | \$52,000                        | \$98,000         | \$130,000            | \$49,000                         | (\$81,000)             |
| Prop. 172 Public Safety Sales Tax                                 | \$24,000                        | \$46,000         | \$61,000             | \$23,000                         | (\$38,000)             |
| Licenses, Permits and Franchises                                  | \$11,000                        | \$19,000         | \$26,000             | \$9,000                          | (\$17,000)             |
| Fines, Forfeitures, & Penalties                                   | \$1,000                         | \$2,000          | \$3,000              | \$1,000                          | (\$2,000)              |
| Charges for Services  | \$25,000                        | \$44,000         | \$62,000             | \$20,000                         | (\$42,000)             |
| <b>Total County General Fund Revenues</b>                         | <b>\$486,000</b>                | <b>\$960,000</b> | <b>\$1,225,000</b>   | <b>\$520,000</b>                 | <b>(\$705,000)</b>     |
| <b>County Road Fund Revenues</b>                                  |                                 |                  |                      |                                  |                        |
| Licenses and Permits  | \$3,000                         | \$6,000          | \$8,000              | \$3,000                          | (\$5,000)              |
| State Highway Users (Gas) Tax                                     | \$50,000                        | \$86,000         | \$121,000            | \$40,000                         | (\$81,000)             |
| Road District Tax   | \$35,000                        | \$71,000         | \$89,000             | \$39,000                         | (\$50,000)             |
| <b>Total County Road Fund Revenues</b>                            | <b>\$88,000</b>                 | <b>\$163,000</b> | <b>\$218,000</b>     | <b>\$82,000</b>                  | <b>(\$136,000)</b>     |
| <b>El Dorado Hills Fire Department Revenue</b>                    |                                 |                  |                      |                                  |                        |
| Property Tax Revenue  | \$257,000                       | \$515,000        | \$649,000            | \$287,000                        | (\$362,000)            |
| <b>Total El Dorado Hills Fire Department Revenue</b>              | <b>\$257,000</b>                | <b>\$515,000</b> | <b>\$649,000</b>     | <b>\$287,000</b>                 | <b>(\$362,000)</b>     |
| <b>El Dorado Hills Community Services District Revenues</b>       |                                 |                  |                      |                                  |                        |
| Recreation Programs   | \$39,000                        | \$68,000         | \$95,000             | \$32,000                         | (\$63,000)             |
| Property Tax Revenue  | \$118,000                       | \$237,000        | \$298,000            | \$132,000                        | (\$166,000)            |
| Park and Facility Rentals   | \$5,000                         | \$10,000         | \$13,000             | \$4,000                          | (\$9,000)              |
| <b>Total El Dorado Hills Community Services District Revenues</b> | <b>\$162,000</b>                | <b>\$315,000</b> | <b>\$406,000</b>     | <b>\$168,000</b>                 | <b>(\$238,000)</b>     |

"revenues"

Source: El Dorado County FY 2015-16 BOS Adopted Budget; El Dorado County CAO; EPS.

Note: Values are rounded to the nearest \$1,000.

**Table B-3**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Estimated Annual Property Tax Revenues by Scenario (2015\$)**

| Item   | Assumptions/<br>Source | Formula                | Annual Fiscal Impact    |                         |                         |                         |
|--|------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  |                        |                        | Scenario 1: CEDHSP      |                         |                         | Scenario 2:             |
|  |                        |                        | 2016-2020               | 2021-2025               | 2026-2030<br>(Buildout) | Base Case<br>(Buildout) |
| <b>Property Tax Revenue (1% of Assessed Value)</b>                     |                        |                        |                         |                         |                         |                         |
| Assessed Value (2015\$) [1]  | Table D-2              | $a$                    | \$144,250,000           | \$289,375,000           | \$364,375,000           | \$160,950,000           |
| Property Tax Revenue (1% of Assessed Value)                            | 1.00%                  | $b = a * 1.00\%$       | \$1,442,500             | \$2,893,750             | \$3,643,750             | \$1,609,500             |
| <b>Estimated Property Tax Allocation [2]</b>                           |                        |                        |                         |                         |                         |                         |
| County General Fund (Avg of TRAs)                                      | 18.77%                 | $c = b * 18.77\%$      | \$270,749               | \$543,141               | \$683,912               | \$302,094               |
| County Road District Tax (Avg of TRAs)                                 | 2.44%                  | $d = b * 2.44\%$       | \$35,201                | \$70,616                | \$88,918                | \$39,276                |
| CSA #7   | 1.31%                  | $e = b * 1.31\%$       | \$18,844                | \$37,803                | \$47,601                | \$21,026                |
| EID  | 5.79%                  | $f = b * 5.79\%$       | \$83,574                | \$167,655               | \$211,108               | \$93,250                |
| EDH Fire Department  | 17.80%                 | $g = b * 17.80\%$      | \$256,817               | \$515,192               | \$648,719               | \$286,549               |
| El Dorado Hills CSD  | 8.18%                  | $h = b * 8.18\%$       | \$118,012               | \$236,739               | \$298,097               | \$131,674               |
| Other Agencies/ERAF  | 45.71%                 | $i = b * 45.71\%$      | \$659,302               | \$1,322,604             | \$1,665,396             | \$735,631               |
| <b>Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)</b> |                        |                        |                         |                         |                         |                         |
| Total Countywide Assessed Value [3]                                    |                        | $j$                    | \$28,501,798,866        | \$28,501,798,866        | \$28,501,798,866        | \$28,501,798,866        |
| Total Assessed Value of Project  |                        | $a$                    | \$144,250,000           | \$289,375,000           | \$364,375,000           | \$160,950,000           |
| <b>Total Assessed Value</b>  |                        | $k = a + j$            | <b>\$28,646,048,866</b> | <b>\$28,791,173,866</b> | <b>\$28,866,173,866</b> | <b>\$28,662,748,866</b> |
| Percent Change in AV   |                        | $l = a / j$            | 0.51%                   | 1.02%                   | 1.28%                   | 0.56%                   |
| <b>Property Tax In-Lieu of VLF [4]</b>                                 | <b>\$17,655,000</b>    | $m = l * \$17,655,000$ | <b>\$89,353</b>         | <b>\$179,249</b>        | <b>\$225,706</b>        | <b>\$99,698</b>         |

"prop\_tax"

Source: El Dorado County Auditor-Controller; Serrano Associates LLC; EPS.

[1] For assumptions and calculation of adjusted assessed value, see Table D-2.

[2] For assumptions and calculation of the estimated property tax allocation, refer to Table D-1.

[3] Reflects Final July 31, 2015 R&T 2052 Assessed Valuation for FY 2015-16. Includes Countywide secured, unsecured, homeowner exemption, and public utility roll.

[4] Property tax in-lieu of VLF amount of \$18.0 million taken from FY 2015-16 BOS Approved County Budget. See Table B-1.

**Table B-4  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Real Property Transfer Tax by Scenario (2015\$)**

| Description                              | Source/<br>Assumption | Annual Transfer Tax Revenue at Buildout by Scenario |                                 |                      |                                 |                                  |                                 |                      |                                 |
|--|-----------------------|---|---------------------------------|----------------------|---------------------------------|----------------------------------|---------------------------------|----------------------|---------------------------------|
|  |                       | Scenario 1: CEDHSP                                  |                                 |                      |                                 | Scenario 2: Base Case (Buildout) |                                 |                      |                                 |
|  |                       | 2016-2020   |                                 | 2021-2025            |                                 | 2026-2030 (Buildout)             |                                 |                      |                                 |
|  |                       | Assessed Value [1]                                  | Annual Transfer Tax Revenue [2] | Assessed Value [1]   | Annual Transfer Tax Revenue [2] | Assessed Value [1]               | Annual Transfer Tax Revenue [2] | Assessed Value [1]   | Annual Transfer Tax Revenue [2] |
| <b>Rate per \$1,000 of AV</b>            | \$1.10                |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| <b>Turnover Rate</b>                     |                       |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| Residential Owner-Occupied               | 10%                   |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| Residential Renter-Occupied              | 5%                    |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| <b>Annual Transfer Tax Revenue</b>       |                       |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| <b>Residential</b>                       |                       |   |                                 |                      |                                 |                                  |                                 |                      |                                 |
| Owner-Occupied [3]                       |                       | \$86,750,000  | \$9,543                         | \$231,875,000        | \$25,506                        | \$231,875,000                    | \$25,506                        | \$124,950,000        | \$13,745                        |
| Renter-Occupied [4]                      |                       | \$57,500,000  | \$3,163                         | \$57,500,000         | \$3,163                         | \$132,500,000                    | \$7,288                         | \$36,000,000         | \$1,980                         |
| <b>Total Annual Transfer Tax Revenue</b> |                       | <b>\$144,250,000</b>                                | <b>\$12,705</b>                 | <b>\$289,375,000</b> | <b>\$28,669</b>                 | <b>\$364,375,000</b>             | <b>\$32,794</b>                 | <b>\$160,950,000</b> | <b>\$15,725</b>                 |

Source: El Dorado County Recorder-Clerk; EPS.

"transfer\_tax"

[1] Assessed Values (AV) derived in APPENDIX D: Supporting Tables for Revenue Estimates. Note that assessed values are expressed in 2015\$ and include no real AV growth.

[2] Formula for Transfer Tax = Assessed Value/1000 \* Rate per \$1,000 of Assessed Value \* Turnover rate.

[3] Owner-occupied units are assumed to comprise Village Residential - Low, Medium-Low, Half-Plexes, Condominium, and Townhouse units.

[4] Renter-occupied units are assumed to comprise Village Residential - High units.

**Table B-5**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Estimated Annual Taxable Sales and Use Tax Revenue by Scenario (2015\$)**

| Item  | Formula             | Source/<br>Assumptions | Annual Revenue at Buildout by Scenario |                 |                         |                         |
|---|---------------------|------------------------|--|-----------------|-------------------------|-------------------------|
|   |                     |                        | Scenario 1: CEDHSP                     |                 |                         | Scenario 2:             |
|   |                     |                        | 2016-2020                              | 2021-2025       | 2026-2030<br>(Buildout) | Base Case<br>(Buildout) |
| <b>Estimated Annual Taxable Sales</b>                         |                     |                        |  |                 |                         |                         |
| Annual County Taxable Sales from New HH/Employee Expenditures | <i>a</i>            | <b>Table B-5A</b>      | \$5,155,800                            | \$9,840,350     | \$12,960,350            | \$4,928,300             |
| <b>Annual Sales Tax Revenue</b>                               |                     |                        |  |                 |                         |                         |
| Total Bradley Burns Sales Tax Revenue                         | $b = a * 1.00\%$    | <b>1.0000%</b>         | <b>\$51,558</b>                        | <b>\$98,404</b> | <b>\$129,604</b>        | <b>\$49,283</b>         |
| Gross Prop 172 Public Safety Sales Tax Revenue                | $d = a * 0.5000\%$  | <b>0.5000%</b>         | \$25,779                               | \$49,202        | \$64,802                | \$24,642                |
| El Dorado County Allocation [1]                               | $e = d * 93.5100\%$ | <b>93.5100%</b>        | <b>\$24,106</b>                        | <b>\$46,009</b> | <b>\$60,596</b>         | <b>\$23,042</b>         |

Source: El Dorado County, California State Board of Equalization, and EPS.

"sales\_tax"

[1] According to El Dorado County, the County receives 93.5 percent of all Prop. 172 Sales Tax revenues generated in the County.

**Table B-5A**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Estimated Annual Taxable Sales from Proposed Development, Market Support Method (2015\$)**

| Annual Taxable Sales from Market Support                     | Assumption | Annual Taxable Sales by Scenario |                                 |                         | Scenario 2:<br>Base Case<br>(Buildout) |
|--|------------|----------------------------------|---------------------------------|-------------------------|--|
|  |            | 2016-2020                        | Scenario 1: CEDHSP<br>2021-2025 | 2026-2030<br>(Buildout) |  |
| <b>Annual Taxable Sales from New Households</b>              |            |                                  |                                 |                         |  |
| <b>Residential Development [1]</b>                           |            |                                  |                                 |                         |  |
| Village Residential - Low                                    |            | 15                               | 37                              | 37                      | 98                                     |
| Village Residential - Medium-Low                             |            | 60                               | 123                             | 123                     | 70                                     |
| Village Residential - Medium-High: Half-Plex                 |            | 22                               | 142                             | 142                     | 0                                      |
| Village Residential - Medium-High: Condo/Townhome            |            | 82                               | 168                             | 168                     | 0                                      |
| Village Residential - High                                   |            | 230                              | 230                             | 530                     | 144                                    |
| <b>Total Residential Development</b>                         |            | <b>409</b>                       | <b>700</b>                      | <b>1,000</b>            | <b>312</b>                             |
| <b>Retail Expenditures [2]</b>                               |            |                                  |                                 |                         |  |
| Village Residential - Low                                    | \$36,000   | \$540,000                        | \$1,332,000                     | \$1,332,000             | \$3,528,000                            |
| Village Residential - Medium-Low                             | \$25,000   | \$1,500,000                      | \$3,075,000                     | \$3,075,000             | \$1,750,000                            |
| Village Residential - Medium-High: Half-Plex                 | \$26,000   | \$572,000                        | \$3,692,000                     | \$3,692,000             | \$0                                    |
| Village Residential - Medium-High: Condo/Townhome            | \$20,000   | \$1,640,000                      | \$3,360,000                     | \$3,360,000             | \$0                                    |
| Village Residential - High                                   | \$16,000   | \$3,680,000                      | \$3,680,000                     | \$8,480,000             | \$2,304,000                            |
| <b>Total Retail Expenditures</b>                             |            | <b>\$7,932,000</b>               | <b>\$15,139,000</b>             | <b>\$19,939,000</b>     | <b>\$7,582,000</b>                     |
| <b>Taxable Sales from New Households</b>                     |            |                                  |                                 |                         |  |
| Est. Retail Capture Rate in Unincorp. El Dorado Co. [3]      |            | 65%                              | 65%                             | 65%                     | 65%                                    |
| <b>Total Taxable Sales from New Households</b>               |            | <b>\$5,155,800</b>               | <b>\$9,840,350</b>              | <b>\$12,960,350</b>     | <b>\$4,928,300</b>                     |
| <b>Total Annual Taxable Sales from Market Support</b>        |            |                                  |                                 |                         |  |
| Estimated Total Annual Taxable Sales Onsite (in the Project) | 0%         | \$0                              | \$0                             | \$0                     | \$0                                    |
| Estimated Total Annual Taxable Sales Offsite (in the County) | 100%       | \$5,155,800                      | \$9,840,350                     | \$12,960,350            | \$4,928,300                            |

"sales\_a"

Source: U.S. Department of Labor, Bureau of Labor Statistics and EPS.

[1] Refer to Table A-2 for the project land use summary.

[2] Refer to Table D-3 for assumptions related to average household retail expenditures by residential unit.

[3] Estimated retail capture rate in unincorporated El Dorado County is based on EPS's qualitative appraisal of retail establishments in and outside unincorporated El Dorado County. Assumes development of the Marble Valley Specific Plan Preferred scenario.



**APPENDIX C:**  
**County General and Road Fund**  
**Expenditure Analysis**

|           |  |     |
|-----------|--|-----|
| Table C-1 | Expenditure-Estimating Procedures (2 pages) .....      | C-1 |
| Table C-2 | Estimated Annual Expenditures by Scenario .....        | C-3 |
| Table C-3 | Community Service District Estimated Expenditures..... | C-4 |

**Table C-1  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Expenditure-Estimating Procedures**

| Function/Category  | Estimating Procedure/<br>Case Study<br>Table Reference | FY 2015-16<br>Expenditures    | Offsetting<br>Revenues | FY 2015-16<br>Net County<br>Expenditures [1] | Population<br>or Persons<br>Served [2] | FY 2015-16<br>Avg. Cost |
|--|--|-------------------------------|------------------------|--|--|-------------------------|
| <b>County General Fund Expenditures</b>                    |  | <i>BOS Adopted<br/>Budget</i> |                        |  |  |                         |
| <b>General Government</b>                                  |  |                               |                        |  |  |                         |
| Legislative and Administrative [3]                         | County Persons Served                                  | \$10,773,000                  | (\$1,611,000)          | \$9,163,000                                  | -                                      | -                       |
| Finance [4]  | County Persons Served                                  | \$9,937,000                   | (\$3,032,000)          | \$6,905,000                                  | -                                      | -                       |
| Counsel  | County Persons Served                                  | \$3,067,000                   | (\$458,000)            | \$2,609,000                                  | -                                      | -                       |
| Human Resources  | County Persons Served                                  | \$1,847,000                   | \$0                    | \$1,847,000                                  | -                                      | -                       |
| Economic Development/Parks & Trails                        | County Persons Served                                  | \$3,069,000                   | (\$1,299,000)          | \$1,770,000                                  | -                                      | -                       |
| Other General [5]  | County Persons Served                                  | \$11,896,000                  | (\$1,914,000)          | \$9,982,000                                  | -                                      | -                       |
| Health & Human Services Agency                             | County Persons Served                                  | \$3,923,000                   | (\$4,361,000)          | (\$438,000)                                  | -                                      | -                       |
| <b>General Gov. Total</b>                                  |  | <b>\$44,512,000</b>           | <b>(\$12,675,000)</b>  | <b>\$31,838,000</b>                          | 214,050                                | <b>\$148.74</b>         |
| <b>Public Protection (Serving Countywide Res/Emp)</b>      |  |                               |                        |  |  |                         |
| Judicial [6]   | County Persons Served                                  | \$20,991,000                  | (\$9,130,000)          | \$11,861,000                                 | -                                      | -                       |
| Police Protection/Detention [7]                            | County Persons Served                                  | \$37,098,000                  | (\$6,600,000)          | \$30,498,000                                 | -                                      | -                       |
| Detention and Correction                                   | County Persons Served                                  | \$17,041,000                  | (\$4,653,000)          | \$12,388,000                                 | -                                      | -                       |
| Other Protection   | County Persons Served                                  | \$3,062,000                   | (\$2,091,000)          | \$971,000                                    | -                                      | -                       |
| <b>Public Protection Total</b>                             |  | <b>\$78,192,000</b>           | <b>(\$22,474,000)</b>  | <b>\$55,718,000</b>                          | 214,050                                | <b>\$260.30</b>         |
| <b>Public Protection (Serving Countywide Residents)</b>    |  |                               |                        |  |  |                         |
| Protection Inspection [8]                                  | County Per Capita                                      | \$20,249,000                  | (\$14,896,000)         | \$5,353,000                                  | -                                      | -                       |
| <b>Public Protection Total</b>                             |  | <b>\$20,249,000</b>           | <b>(\$14,896,000)</b>  | <b>\$5,353,000</b>                           | 183,750                                | <b>\$29.13</b>          |
| <b>Public Protection (Sheriff Patrol - Unincorp. Only)</b> |  |                               |                        |  |  |                         |
| Police Protection/Detention [9]                            | Unincorp. Co. Persons Served                           | \$24,823,000                  | (\$3,536,000)          | \$21,287,000                                 | -                                      | -                       |
| <b>Public Protection Total</b>                             |  | <b>\$24,823,000</b>           | <b>(\$3,536,000)</b>   | <b>\$21,287,000</b>                          | 171,991                                | <b>\$123.77</b>         |
| <b>Health and Sanitation</b>                               |  |                               |                        |  |  |                         |
| Environmental Management                                   | County Persons Served                                  | \$3,171,000                   | (\$3,171,000)          | \$0  | -                                      | -                       |
| <b>Health and Sanitization Total</b>                       |  | <b>\$3,171,000</b>            | <b>(\$3,171,000)</b>   | <b>\$0</b>                                   | 214,050                                | <b>\$0.00</b>           |
| <b>Public Assistance</b>                                   |  |                               |                        |  |  |                         |
| Veterans Services  | County Per Capita                                      | \$478,000                     | (\$31,000)             | \$447,000                                    | -                                      | -                       |
| Human Services   | County Per Capita                                      | \$53,412,000                  | (\$51,744,000)         | \$1,667,000                                  | -                                      | -                       |
| <b>Public Assistance Total</b>                             |  | <b>\$53,890,000</b>           | <b>(\$51,775,000)</b>  | <b>\$2,114,000</b>                           | 183,750                                | <b>\$11.50</b>          |
| <b>Education</b>   |  |                               |                        |  |  |                         |
| Library  | County Per Capita                                      | \$3,712,000                   | (\$2,137,000)          | \$1,574,000                                  | -                                      | -                       |
| <b>Education Total</b>                                     |  | <b>\$3,712,000</b>            | <b>(\$2,137,000)</b>   | <b>\$1,574,000</b>                           | 183,750                                | <b>\$8.57</b>           |
| <b>Fund Balance</b>  | [10]   | <b>\$1,192,000</b>            | -                      | <b>\$1,192,000</b>                           | -                                      | -                       |
| <b>Subtotal County General Fund Expenditures</b>           |  | <b>\$229,741,000</b>          | <b>(\$110,664,000)</b> | <b>\$119,076,000</b>                         | -                                      | -                       |

**Table C-1  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Expenditure-Estimating Procedures**

| Function/Category  | Estimating Procedure/<br>Case Study<br>Table Reference | FY 2015-16<br>Expenditures | Offsetting<br>Revenues | FY 2015-16<br>Net County<br>Expenditures [1] | Population<br>or Persons<br>Served [2] | FY 2015-16<br>Avg. Cost |
|--|--|----------------------------|------------------------|--|--|-------------------------|
| <b>Non-Departmental (Dept. 15)</b>                                   |  |                            |                        |  |  |                         |
| General Fund Contingency   | County Per Capita                                      | \$6,720,000                | \$0                    | \$6,720,000                                  | 183,750                                | \$36.57                 |
| Human Services - Area Agency on Aging Programs                       | County Per Capita                                      | \$2,409,000                | \$0                    | \$2,409,000                                  | 183,750                                | \$13.11                 |
| El Dorado Water & Power Authority (EDWPA)                            | County Persons Served                                  | \$300,000                  | \$0                    | \$300,000                                    | 214,050                                | \$1.40                  |
| Road Fund  | County Persons Served                                  | \$507,000                  | \$0                    | \$507,000                                    | 214,050                                | \$2.37                  |
| Other Non-Departmental   | [10]   | \$26,127,000               | \$0                    | \$26,127,000                                 | -                                      | -                       |
| Changes in Reserves  | [10]   | \$0                        | \$0                    | \$0  | -                                      | -                       |
| <b>Total Non-Departmental</b>  |  | <b>\$36,063,000</b>        | <b>\$0</b>             | <b>\$36,063,000</b>                          | -                                      | -                       |
| <b>Total County General Fund Expenditures</b>                        |  | <b>\$265,804,000</b>       | <b>(\$110,664,000)</b> | <b>\$155,139,000</b>                         | -                                      | -                       |
| <b>County Road Fund Expenditures [11]</b>                            | County Persons Served                                  | <b>\$72,215,000</b>        | <b>(\$49,854,000)</b>  | <b>\$22,361,000</b>                          | 214,050                                | <b>\$104.47</b>         |
| <i>Preliminary Budget</i>  |  |                            |                        |  |  |                         |
| <b>El Dorado Hills Fire Department Expenditures</b>                  | [12]   | <b>\$20,476,000</b>        | -                      | <b>\$20,476,000</b>                          | -                                      | -                       |
| <i>Approved Budget</i>   |  |                            |                        |  |  |                         |
| <b>El Dorado Hills Community Services District [13]</b>              |  |                            |                        |  |  |                         |
| Salary and Benefits  | Table C-3  | \$3,592,000                | \$0                    | \$3,592,000                                  | -                                      | -                       |
| Services and Supplies  | Table C-3  | \$3,406,000                | \$0                    | \$3,406,000                                  | -                                      | -                       |
| Capital Expenditures   | Table C-3  | \$285,000                  | \$0                    | \$285,000                                    | -                                      | -                       |
| Transfers Out  | Table C-3  | \$336,000                  | \$0                    | \$336,000                                    | -                                      | -                       |
| <b>Total General Fund Expenditures</b>                               |  | <b>\$7,619,000</b>         | <b>\$0</b>             | <b>\$7,619,000</b>                           | -                                      | -                       |
| <b>Fund Balance</b>  |  | <b>\$814,000</b>           | <b>\$0</b>             | <b>\$814,000</b>                             | -                                      | -                       |
| <b>Total El Dorado Hill Community Services District Expenditures</b> |  | <b>\$8,433,000</b>         | -                      | <b>\$8,433,000</b>                           | -                                      | -                       |

\*exp\_pro\*

Source: El Dorado County FY 2015-16 BOS Adopted Budget; El Dorado County CAO; El Dorado Hills Fire Department; EPS.

[1] Includes the General Fund portion allocated to General Fund Departments. Based on Net County Costs in the FY 2015-16 BOS Adopted Budget.

[2] Derived in Table A-1.

[3] Includes Board of Supervisors and Administration expenditures.

[4] Includes Auditor-Controller, Treasurer-Tax Collector, and Assessor expenditures.

[5] Includes Information Technologies, Surveyor, and County Engineer expenditures.

[6] Includes Grand Jury, Superior Court, District Attorney, Public Defender, and Child Support Services expenditures.

[7] Includes Sheriff expenditures that serve the entire countywide population.

[8] Includes Agricultural Commissioner, Development Services, and Animal Services expenditures.

[9] Includes Sheriff expenditures that serve the unincorporated population only. Based on total Patrol Service expenditures (includes staffing and administrative costs for Patrol, Detective Units, and Specialty Units) as provided in the El Dorado County 2015-16 BOS Adopted Budget.

[10] This expenditure category is not expected to be affected by the Project and therefore is not evaluated in this analysis.

[11] Does not include 100% of offsetting revenues per County CAO. Excludes offsetting revenues related to: Licenses and Permits; Gas Tax; and the Road District Tax.

[12] Based on correspondence with the El Dorado Hills Fire Department Finance Director dated May 31, 2016, there are no anticipated annual marginal increases in annual fixed assets, operations, or staffing costs related to the Project. As stated in the preliminary 2015/16 budget approved June 18, 2015, annual revenues are greater than budgeted expenditures by \$186,848.

[13] El Dorado Hills Community Services District expenditures relates to the general fund expenditures only. El Dorado Hills Community Services District confirmed no other funds will be impacted by the Project.

Table C-2  
 Central El Dorado Hills Specific Plan Area  
 Fiscal Impact Analysis  
 Estimated Annual Expenditures by Scenario (2015\$)

| Expenditures   | Annual Net Expenditures at Buildout by Scenario |                                 |                         |  | Difference           |
|--|---|---------------------------------|-------------------------|--|----------------------|
|  | 2016-2020                                       | Scenario 1: CEDHSP<br>2021-2025 | 2026-2030<br>(Buildout) | Scenario 2:<br>Base Case<br>(Buildout) |                      |
| <i>Formula</i>   |   |                                 | <i>a</i>                | <i>b</i>                               | <i>c = b - a</i>     |
| <b>County General Fund Expenditures [1]</b>                          |   |                                 |                         |  |                      |
| General Government   | \$160,000                                       | \$278,000                       | \$389,000               | \$130,000                              | (\$259,000)          |
| Public Protection (Serving Countywide Res/Emp) [2]                   | \$279,000                                       | \$487,000                       | \$682,000               | \$227,000                              | (\$455,000)          |
| Public Protection (Serving Countywide Residents) [3]                 | \$31,000  | \$55,000                        | \$76,000                | \$25,000                               | (\$51,000)           |
| Public Protection (Sheriff Patrol - Unincorp. Only) [4]              | \$133,000                                       | \$232,000                       | \$324,000               | \$108,000                              | (\$216,000)          |
| Health and Sanitation  | \$0   | \$0                             | \$0                     | \$0                                    | \$0                  |
| Public Assistance  | \$12,000  | \$22,000                        | \$30,000                | \$10,000                               | (\$20,000)           |
| Education  | \$9,000   | \$16,000                        | \$22,000                | \$7,000                                | (\$15,000)           |
| <b>Subtotal County General Fund Expenditures</b>                     | <b>\$624,000</b>                                | <b>\$1,090,000</b>              | <b>\$1,523,000</b>      | <b>\$507,000</b>                       | <b>(\$1,016,000)</b> |
| <b>Non-Departmental Expenditures</b>                                 |   |                                 |                         |  |                      |
| General Fund Contingency   | \$39,000  | \$68,000                        | \$96,000                | \$32,000                               | (\$64,000)           |
| Human Services - Area Agency on Aging Programs                       | \$14,000  | \$25,000                        | \$34,000                | \$11,000                               | (\$23,000)           |
| El Dorado Water & Power Authority (EDWPA)                            | \$2,000   | \$3,000                         | \$4,000                 | \$1,000                                | (\$3,000)            |
| Road Fund  | \$3,000   | \$4,000                         | \$6,000                 | \$2,000                                | (\$4,000)            |
| <b>Subtotal Non-Departmental Expenditures</b>                        | <b>\$58,000</b>                                 | <b>\$100,000</b>                | <b>\$140,000</b>        | <b>\$46,000</b>                        | <b>(\$94,000)</b>    |
| <b>Total County General Fund Expenditures</b>                        | <b>\$682,000</b>                                | <b>\$1,190,000</b>              | <b>\$1,663,000</b>      | <b>\$553,000</b>                       | <b>(\$1,110,000)</b> |
| <b>County Road Fund Expenditures</b>                                 | <b>\$112,000</b>                                | <b>\$196,000</b>                | <b>\$274,000</b>        | <b>\$91,000</b>                        | <b>(\$183,000)</b>   |
| <b>El Dorado Hills Fire Department Expenditures [5]</b>              | <b>\$0</b>                                      | <b>\$0</b>                      | <b>\$0</b>              | <b>\$0</b>                             | <b>\$0</b>           |
| <b>El Dorado Hills Community Services District</b>                   |   |                                 |                         |  |                      |
| Salary and Benefits  | \$21,000  | \$47,000                        | \$47,000                | \$0                                    | (\$47,000)           |
| Services and Supplies  | \$123,000                                       | \$213,000                       | \$300,000               | \$0                                    | (\$300,000)          |
| <b>Total General Fund Expenditures</b>                               | <b>\$144,000</b>                                | <b>\$260,000</b>                | <b>\$347,000</b>        | <b>\$0</b>                             | <b>(\$347,000)</b>   |
| <b>Total El Dorado Hill Community Services District Expenditures</b> | <b>\$144,000</b>                                | <b>\$260,000</b>                | <b>\$347,000</b>        | <b>\$0</b>                             | <b>(\$347,000)</b>   |

\*expenditures\*

Source: El Dorado County FY 2015-16 BOS Adopted Budget; El Dorado County CAO; El Dorado Hills Fire Department; EPS.

Note: Values are rounded to the nearest \$1,000.

- [1] Refer to Table C-1 for details regarding expenditure categories.
- [2] Includes Judicial, Sherriff expenditures (services provided to residents and employees countywide), Detention and Correction and Other Protection expenditures.
- [3] Includes Agricultural Commissioner, Development Services, and Animal Services expenditures serving County residents.
- [4] Includes Sheriff expenditures that serve the unincorporated population only. Based on total Patrol Service expenditures (includes staffing and administrative costs for Patrol, Detective Units, and Specialty Units) as provided in the El Dorado County 2015-16 BOS Adopted Budget.
- [5] Based on correspondence with the El Dorado Hills Fire Department Finance Director dated May 31, 2016, there are no anticipated annual marginal increases in annual fixed assets, operations, or staffing costs related to the Project.

**Table C-3  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Community Service District Estimated Expenditures**

| Item  | Assumption | Annual Expenditures by Scenario |                           |                         |  |            |
|---|------------|---------------------------------|---------------------------|-------------------------|--|------------|
|   |            | Scenario 1: CEDHSP              |                           |                         | Scenario 2:<br>Base Case<br>(Buildout) |            |
|   |            | 2016-2020                       | 2021-2025                 | 2026-2030<br>(Buildout) |  |            |
| Village Park Acres  |            | 6.2                             | 10.6                      | 15.0                    | -                                      |            |
| <b>Annual Staffing Expenditures</b>                         |            |                                 |                           |                         |  |            |
| <b>Estimated Staffing Needs</b>                             |            |                                 | <i>Required FTE's [1]</i> |                         |  |            |
| Maintenance Ground Worker                                   |            | 0.25                            | 0.50                      | 0.50                    | -                                      |            |
| Lead Maintenance  |            | 0.10                            | 0.25                      | 0.25                    | -                                      |            |
| Park Supervisor   |            | 0.10                            | 0.25                      | 0.25                    | -                                      |            |
| <b>Estimated Annual Wages</b>                               |            | <i>Avg Wage [2]</i>             |                           |                         |  |            |
| Maintenance Ground Worker                                   |            | \$43,238                        | \$10,810                  | \$21,619                | \$21,619                               | \$0        |
| Lead Maintenance  |            | \$47,758                        | \$4,776                   | \$11,939                | \$11,939                               | \$0        |
| Park Supervisor   |            | \$52,861                        | \$5,286                   | \$13,215                | \$13,215                               | \$0        |
| <b>Total Annual Staffing Expenditures</b>                   |            |                                 | <b>\$20,871</b>           | <b>\$46,774</b>         | <b>\$46,774</b>                        | <b>\$0</b> |
| <b>Annual Operational and Fixed Cost Expenditures</b>       |            |                                 |                           |                         |  |            |
| <b>Annual Cost per Acre of Village Park</b>                 |            | <i>Cost Per Acre [1]</i>        |                           |                         |  |            |
|   |            |                                 | \$20,000                  |                         |  |            |
| <b>Total Annual Operational and Fixed Cost Expenditures</b> |            |                                 | <b>\$123,283</b>          | <b>\$212,928</b>        | <b>\$300,000</b>                       | <b>\$0</b> |

"CSD"

Source: El Dorado Hills Community Service District; EPS.

[1] Estimated required employee FTE and village park cost per acre assumptions based on conversations with the Director of Administration and Finance at the El Dorado Hills Community Services District as of December 2016. Assumes developed village park acres are a standard village park without additional features such as a spray ground.

[2] Average wage assumption represents the average of all wage categories for each position as provided in the El Dorado Hills Community Services District approved budget for fiscal year 2015-16.



**APPENDIX D:**  
**Supporting Tables for Revenue Analyses**

|           |  |     |
|-----------|--|-----|
| Table D-1 | Preliminary Property Tax Allocations .....                           | D-1 |
| Table D-2 | Estimated Assessed Valuation at Buildout by Scenario (2 pages) ..... | D-2 |
| Table D-3 | Average Income and Retail Expenditures for Residential Units.....    | D-4 |

**Table D-1  
 Central El Dorado Hills Specific Plan Area  
 Fiscal Impact Analysis  
 Preliminary Property Tax Allocations**

| Fund/Agency                            | Pre-ERAF Distribution by Tax Rate Area [1] |                  | Weighted Average of TRAs | % of Shift to ERAF [2] | Post ERAF Distribution Factors |
|--|--|------------------|--------------------------|------------------------|--------------------------------|
|  | 054-007                                    | 054-135          |                          |                        |                                |
| <b>Developable Acres [3]</b>           | 58 Acres                                   | 76 Acres         |                          |                        |                                |
| <b>Taxing Entities for Analysis</b>    |  |                  |                          |                        |                                |
| County General Fund                    | 26.2963%                                   | 26.1709%         | 26.2252%                 | 28.4297%               | 18.7694%                       |
| Road District Tax                      | 2.6320%                                    | 2.6308%          | 2.6313%                  | 7.26018%               | 2.4403%                        |
| <b>Other Taxing Entities</b>           |  |                  |                          |                        |                                |
| Accum Capital Outlay                   | 0.5453%                                    | 0.5437%          | 0.5444%                  | 25.31728%              | 0.4066%                        |
| County Water Agency                    | 0.8610%                                    | 0.8584%          | 0.8595%                  | 9.69617%               | 0.7762%                        |
| CSA #7                                 | 1.7659%                                    | 1.7660%          | 1.7660%                  | 26.02532%              | 1.3064%                        |
| EID                                    | 5.7139%                                    | 5.8546%          | 5.7937%                  | 0.00000%               | 5.7937%                        |
| EDH County Water/Fire                  | 17.5405%                                   | 18.0044%         | 17.8036%                 | 0.00000%               | 17.8036%                       |
| El Dorado Hills CSD                    | 10.4657%                                   | 10.5564%         | 10.5171%                 | 22.21212%              | 8.1811%                        |
| Buckeye Elementary                     | 14.8908%                                   | 14.8552%         | 14.8706%                 | 0.00000%               | 14.8706%                       |
| El Dorado High                         | 12.4167%                                   | 12.1906%         | 12.2885%                 | 0.00000%               | 12.2885%                       |
| Los Rios Community                     | 4.4369%                                    | 4.3561%          | 4.3911%                  | 0.00000%               | 4.3911%                        |
| County School Services                 | 2.4350%                                    | 2.2129%          | 2.3090%                  | 0.00000%               | 2.3090%                        |
| <b>Subtotal Property Tax Pre-ERAF</b>  | <b>100.0000%</b>                           | <b>100.0000%</b> | <b>100.0000%</b>         |                        | <b>89.3364%</b>                |
| Educational Revenue Relief Fund (ERAF) |  |                  |                          |                        | 10.6636%                       |
| <b>Total Gross Property Tax</b>        |  |                  |                          |                        | <b>100.0000%</b>               |

tax\_alloc

Source: El Dorado County Auditor-Controller; EPS.

[1] Represents the percentage allocation of the 1% ad valorem property tax by Tax Rate Area (TRA).  
 [2] Estimated by EPS based on data provided by the County Auditor-Controller.  
 [3] Tax rate area (TRA) 054-007 contains all Village Residential - Low and medium low acreage and 13 acres of Village Residential - High uses. All remaining developable acres are located in TRA 054-135. Assumes a similar division of acreages for the Base Scenario.

**Table D-2  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Estimated Assessed Valuation at Buildout by Scenario (2015\$)**

| Item  | Rounded<br>Value per<br>Unit [1] | Total Assessed Value by Scenario (Rounded) |                       |              |                       |              |                       |
|---|----------------------------------|--|-----------------------|--------------|-----------------------|--------------|-----------------------|
|   |                                  | Scenario 1: CEDHSP                         |                       |              |                       |              |                       |
|   |                                  | 2016-2020                                  |                       | 2021-2025    |                       | 2026-2030    |                       |
|   |                                  | Units                                      | Assessed<br>Value [2] | Units        | Assessed<br>Value [2] | Units        | Assessed<br>Value [2] |
| <b>Residential Land Uses</b>                      | <i>Per Unit</i>                  | <i>Units</i>                               |                       | <i>Units</i> |                       | <i>Units</i> |                       |
| Village Residential - Low                         | \$900,000                        | 15   | \$13,500,000          | 37           | \$33,300,000          | 37           | \$33,300,000          |
| Village Residential - Medium-Low                  | \$525,000                        | 60   | \$31,500,000          | 123          | \$64,575,000          | 123          | \$64,575,000          |
| Village Residential - Medium-High: Half-Plex      | \$500,000                        | 22   | \$11,000,000          | 142          | \$71,000,000          | 142          | \$71,000,000          |
| Village Residential - Medium-High: Condo/Townhome | \$375,000                        | 82   | \$30,750,000          | 168          | \$63,000,000          | 168          | \$63,000,000          |
| Village Residential - High                        | \$250,000                        | 230  | \$57,500,000          | 230          | \$57,500,000          | 530          | \$132,500,000         |
| <b>Total Residential</b>                          |                                  | <b>409</b>                                 | <b>\$144,250,000</b>  | <b>700</b>   | <b>\$289,375,000</b>  | <b>1,000</b> | <b>\$364,375,000</b>  |
| <b>Total Incremental Assessed Value</b>           |                                  |  | <b>\$144,250,000</b>  |              | <b>\$289,375,000</b>  |              | <b>\$364,375,000</b>  |

Source: Serrano Associates LLC; EPS.

[1] See Table A-5 for detail.

[2] Note that assessed values (AV)s are expressed in 2015\$ and include no real AV growth.

**Table D-2  
Central El Dorado Hills Specific Plan Area  
Fiscal Impact Analysis  
Estimated Assessed Valuation at Buildout by Scenario (2015\$)**

| Item  | Rounded<br>Value per<br>Unit [1] | Total Assessed Value by Scenario<br>(Rounded) |                       |
|---|----------------------------------|---|-----------------------|
|   |                                  | Scenario 2: Base Case                         |                       |
|   |                                  | Units   | Assessed<br>Value [2] |
| <b>Residential Land Uses</b>                      | <i>Per Unit</i>                  | <i>Units</i>                                  |                       |
| Village Residential - Low                         | \$900,000                        | 98  | \$88,200,000          |
| Village Residential - Medium-Low                  | \$525,000                        | 70  | \$36,750,000          |
| Village Residential - Medium-High: Half-Plex      | \$500,000                        | 0   | \$0                   |
| Village Residential - Medium-High: Condo/Townhome | \$375,000                        | 0   | \$0                   |
| Village Residential - High                        | \$250,000                        | 144   | \$36,000,000          |
| <b>Total Residential</b>                          |                                  | <b>312</b>                                    | <b>\$160,950,000</b>  |
| <b>Total Incremental Assessed Value</b>           |                                  |   | <b>\$160,950,000</b>  |

av

Source: Serrano Associates LLC; EPS.

[1] See Table A-5 for detail.

[2] Note that assessed values (AV)s are expressed in 2015\$ and include no real AV growth.

**Table D-3**  
**Central El Dorado Hills Specific Plan Area**  
**Fiscal Impact Analysis**  
**Average Income and Retail Expenditures for Residential Units (2015\$)**

| Residential Land Use                              | Assumption [1]                     | Household Income and Retail Expenditures        |                                    |
|---|------------------------------------|---|------------------------------------|
|   |                                    | Total Annual Mortgage, Ins., & Tax Payments [2] | Estimated Household Income [3]     |
| <b>Average Household Income</b>                   | <u>Avg. Home Value</u>             |   |                                    |
| Village Residential - Low                         | \$900,000                          | \$70,000  | \$175,000                          |
| Village Residential - Medium-Low                  | \$525,000                          | \$41,000  | \$103,000                          |
| Village Residential - Medium-High: Half-Plex      | \$500,000                          | \$39,000  | \$98,000                           |
| Village Residential - Medium-High: Condo/Townhome | \$375,000                          | \$29,000  | \$73,000                           |
| Village Residential - High                        | \$250,000                          | \$19,000  | \$48,000                           |
| <b>Average Retail Expenditures [4]</b>            | <u>Taxable Exp. as % of Income</u> |   | <u>Average Retail Expenditures</u> |
| Village Residential - Low                         | 21%                                | -   | \$36,000                           |
| Village Residential - Medium-Low                  | 24%                                | -   | \$25,000                           |
| Village Residential - Medium-High: Half-Plex      | 27%                                | -   | \$26,000                           |
| Village Residential - Medium-High: Condo/Townhome | 27%                                | -   | \$20,000                           |
| Village Residential - High                        | 34%                                | -   | \$16,000                           |

income

Source: Serrano Associates LLC; Bureau of Labor Statistics (BLS), Consumer Expenditure Survey, 2015; EPS.

- [1] Residential values based on weighted average value of comparable products in and surrounding El Dorado Hills provided by Serrano Associates, LLC, as well as values collected from the Gregory Group as of July 2016 and MLS for 2016. Taxable expenditures as a percentage of income derived from the 2015 BLS Consumer Expenditure Survey.
- [2] Based on a 6%, 30-year fixed rate mortgage with a 20% down payment and 2% for annual taxes and insurance. Values have been rounded to the nearest thousand dollars.
- [3] Assumes mortgage lending guidelines allow no more than 40% of income dedicated to mortgage payments, taxes and insurance.
- [4] Average retail expenditures per household used to estimate annual sales tax revenues, as shown in Table B-5A.



## APPENDIX E: Library Parcel Tax Revenue

Table E-1      CSA 10 Library Parcel Tax Revenue by Scenario ..... E-1

NOTE: The library parcel tax revenues do not augment General Fund funding of library services and, instead, will flow directly to the Library Fund.

**DRAFT**

**Table E-1  
Central El Dorado Hills Specific Plan Area  
CSA 10 Library Parcel Tax Revenue by Scenario (2015\$)**

| Land Use   | Dwelling Units     |            |  |  | Parcel Tax Revenue [1]  |                 |  |  |
|--|--------------------|------------|--|--|-------------------------|-----------------|--|--|
|  | Scenario 1: CEDHSP |            | Scenario 2:<br>Base Case<br>(Buildout) | Scenario 2:<br>Base Case<br>(Buildout) | Scenario 1: CEDHSP      |                 | Scenario 2:<br>Base Case<br>(Buildout) | Scenario 2:<br>Base Case<br>(Buildout) |
|  | 2016-2020          | 2021-2025  |  |  | 2026-2030<br>(Buildout) | 2016-2020       |  |  |
| <b>Residential Land Uses [2]</b>                   |                    |            |  |  |                         |                 |  |  |
| Village Residential - Low                          | 15                 | 37         | 37                                     | 98                                     | \$375                   | \$925           | \$925                                  | \$2,450                                |
| Village Residential - Medium-Low                   | 60                 | 123        | 123                                    | 70                                     | \$1,500                 | \$3,075         | \$3,075                                | \$1,750                                |
| Village Residential - Medium-High: Half-Plex       | 22                 | 142        | 142                                    | 0                                      | \$440                   | \$2,840         | \$2,840                                | \$0                                    |
| Village Residential - Medium-High: Condo/Townhome  | 82                 | 168        | 168                                    | 0                                      | \$1,640                 | \$3,360         | \$3,360                                | \$0                                    |
| Village Residential - High                         | 0                  | 0          | 200                                    | 0                                      | \$0                     | \$0             | \$4,000                                | \$0                                    |
| Village Residential - High                         | 230                | 230        | 330                                    | 144                                    | \$4,600                 | \$4,600         | \$6,600                                | \$2,880                                |
| <b>Total Residential</b>                           | <b>409</b>         | <b>700</b> | <b>1,000</b>                           | <b>312</b>                             | <b>\$8,555</b>          | <b>\$14,800</b> | <b>\$20,800</b>                        | <b>\$7,080</b>                         |
| <b>Other Land Uses [3]</b>                         |                    |            |  |  |                         |                 |  |  |
| Village Park                                       | -                  | -          | -                                      | -                                      | -                       | -               | -                                      | -                                      |
| Open Space   | -                  | -          | -                                      | -                                      | -                       | -               | -                                      | -                                      |
| Road Right-of-Way and Landscape Lots               | -                  | -          | -                                      | -                                      | -                       | -               | -                                      | -                                      |
| <b>Total Other Land Uses</b>                       | <b>-</b>           | <b>-</b>   | <b>-</b>                               | <b>-</b>                               | <b>-</b>                | <b>-</b>        | <b>-</b>                               | <b>-</b>                               |
| <b>Total Central El Dorado Hills Specific Plan</b> | <b>409</b>         | <b>700</b> | <b>1,000</b>                           | <b>312</b>                             | <b>\$8,555</b>          | <b>\$14,800</b> | <b>\$20,800</b>                        | <b>\$7,080</b>                         |

library

Source: El Dorado County Library; EPS.

[1] The Central El Dorado Hills Specific Plan is located within Zone E (El Dorado Hills). In March 2002, a Special Tax of \$25 per parcel was approved; in November 2004, voters approved a measure distinguishing apartment units at a tax rate of \$20 per unit. There is no sunset on this tax.

[2] Low-density units (including medium-low) are assumed to be detached single-family units; medium-density half-plexes, condominiums, and townhomes and high-density units are assumed to be attached multifamily units. Based on conversations with the El Dorado County Library as of June 2016, each unit will be assessed separately as follows:

| <u>Land Use</u>                     | <u>Rate per Unit</u> |
|-------------------------------------|----------------------|
| Low and Medium-Low Density          | \$25                 |
| Medium-High Density: Half-Plex      | \$20                 |
| Medium-High Density: Condo/Townhome | \$20                 |
| High Density                        | \$20                 |

[3] Excluded from the analysis.