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TO: Board of Supervisors Agenda of: August 27, 2013

FROM: Gina Paolini, Senior Planner
Eileen Crawford, Senior Civil Engineer

DATE: August 16, 2013

RE: **Bass Lake Hills Specific Plan Public Facilities Financing Plan**

Executive Summary

The Bass Lake Hills Specific Plan (Specific Plan) Public Facilities Financing Plan (PFFP) was approved by the Board in 2004 (Exhibit A). The PFFP was to set forth a strategy to finance the backbone infrastructure and other public facilities required to serve the proposed land uses in the Specific Plan. The PFFP required substantial road and infrastructure improvements with the first 300 dwelling units to address “concurrency” policies in the Specific Plan. Developers would be eligible for reimbursement from future development. This was called the “Critical Mass Threshold”.

Development began in the Specific Plan area in the 2000s. Pulte Homes built 99 homes on the Hollow Oak property, along with road improvements to serve their project, and the Holy Trinity Church built their facility. The El Dorado Irrigation District constructed infrastructure improvements, including water and sewer lines and two water storage tanks, and the El Dorado Hills Fire District built a fire station along Bass Lake Road. The 2004 PFFP program has been recognized by the developers as an obstacle to the continued development and implementation of the Specific Plan. It is the developers’ opinion that the format of the Critical Mass Threshold makes construction in the plan area infeasible.

A group of developers has been working to revise the 2004 PFFP since 2009. The developers’ revisions to the 2004 PFFP includes different phasing of improvements and additional changes that in the developers’ opinion would give the County the ability to prioritize improvements by conditioning tentative maps. The developer believes these changes would reduce obstacles to development because improvements would only be required when needed. Staff has prepared this memorandum to provide information to the Board and recommendations for Board consideration. The staff memorandum contains discussions in the following sections:

1. Background

2. 2013 PFFP Revision Request
3. Concurrency
4. Comparison of Proposed 2013 PFFP and Adopted 2004 PFFP
5. Traffic Impact Mitigation (TIM) and Road Impact Fee (RIF) Program
6. Tentative Maps, Conditions of Approval and Specific Plan
7. Recommendation

Section 2 of this memorandum clearly identifies areas in which the County may accept some of the proposed revisions in the 2013 PFFP.

1. Background

Development of the Bass Lake area (approximately 1200 acres) is covered by the Specific Plan (1995), the development agreements (DA) (1996), and the Specific Plan PFFP (2004). Due to the DA's, the 1996 General Plan applies to those properties with signed DA's, until the agreements expire in 2016. This Specific Plan is unique in that there are 50 individual DA's and 88 properties within the Specific Plan. In 2001, the Board of Supervisors rescinded the ordinance authorizing DA's within this Specific Plan area, so that no more owners are entitled to obtain DA's. The Specific Plan authorizes 1,458 housing units and a limited amount of neighborhood-serving commercial (2 acres per 40 units spread through all 18 villages).

The 2004 PFFP divided the infrastructure into various phases. The Critical Mass Threshold required many of the core improvements prior to the creation of the 300th lot. At the time of the 2004 PFFP, Hollow Oak had an approved vesting tentative map that pre-dated the Specific Plan. The owner of Hollow Oak had signed a DA, and as the first map to proceed under a DA, was charged with providing the initial draft of the 2004 PFFP. In 2004, there were three other tentative maps (Hawk View, Bell Woods and Bell Ranch) being processed. Any two of those maps, in conjunction with Hollow Oak would result in more than 300 lots, thus triggering the need for the core improvements required under the Critical Mass Threshold. Therefore, all three maps were heard by the Planning Commission and Board at the same time (Spring 2005). All three maps were required to provide those same core improvements so that if only one or two of the maps moved forward, the core improvements would be constructed.

In June 2005, D.R. Horton acquired the Tentative Maps known as Hawk View, Bell Woods and Bell Ranch and began to work towards complying with the Conditions of Approval for those maps. Because of the heavy "front loading" of the improvements, D.R. Horton suggested that the Conditions of Approval and 2004 PFFP created an obstacle to development. D.R. Horton requested that the County consider revisions to the tentative maps to restructure the Conditions of Approval. D.R. Horton requested:

- a. Improvements be allocated between the three subdivisions versus requiring each subdivision construct or fund all Phase 1A improvements;
- b. Some certificates of occupancy be issued before full completion of Bass Lake Road;

- c. The County provide assistance related to sewer connection and right of way issues with Serrano, including condemnation, if necessary. Staff indicated that CEQA had not been completed; therefore, it was premature to go through the process; and,
- d. Quicker reimbursements from the TIM fee related to Bass Lake Road.

D.R. Horton completed the design of the various Phase 1A improvements, completed the cost estimates, and worked with staff from 2006 to 2008. The County and D.R. Horton did not come to an agreement regarding a revision to the Conditions of Approval.

2. 2013 PFFP Revision Request

N.C. Brown Development, Inc. and Winn Communities (BL Road LLC) acquired D.R. Horton's interests in the Hawk View, Bell Ranch and Bell Woods properties in September 2008. Mr. Brown submitted a letter to the County on January 21, 2009, stating that there were significant issues concerning the financing of public infrastructure within the Specific Plan and that he was proposing to revise the 2004 PFFP. Due to anticipated litigation, the Board discussed the 2004 PFFP in closed session on June 30, 2009. No action was reported. The applicant has been working with staff and other agencies since then to produce the 2013 revision to the PFFP (Exhibit B). In addition, the applicant has been meeting with other DA holders and other land owners to gain support. The applicant has been able to obtain signatures of support from 44 of the 50 DA holders within the plan area wishing to change the 2004 PFFP. A spreadsheet of the Specific Plan and DA holders has been prepared (Exhibit C). The following section describes key revisions proposed in the 2013 PFFP, along with comments from staff and other agencies regarding each proposed revision.

- a. **Infrastructure costs.** Costs and land uses have been adjusted for the development that has occurred to date. The updated cost estimates have been calculated with 2008 construction dollars.

Staff Comment: County staff has verified that the following public facilities have been completed within the plan area and the proposed 2013 PFFP can be adjusted to account for these improvements:

- Bass Lake Road from Hollow Oak Road to Serrano Parkway (two-lane divided)
- Sidewalk and bike trail along Bass Lake Road from Hollow Oak Road to Serrano Parkway
- School site acquisition
- Country Club Drive from the east boundary to Morrison Road
- Morrison Road north of Country Club Drive along the Holy Trinity Church boundary
- Fire Station site acquisition and facilities (Not PFFP funded but required by Specific Plan)
- Components of the major water system (Not PFFP funded but required by Specific Plan)

- b. **Active Sports Park.** The requirement to acquire, dedicate, plan and design the 8.7 acre Active Sports Park for the El Dorado Hills Community Service District (EDH CSD) has been eliminated and will now be the responsibility of the EDH CSD to finance and construct with the park fees that will be collected per dwelling unit.

EDH CSD Comment: The Specific Plan requires that park land and facilities be provided in accordance with the requirements of the EDHCSD Recreation Facilities Master Plan. The current Master Plan includes the Bass Lake Active Sports Park as a Priority 1 Capital Project. The PFFP and Conditions of Approval for those Tentative Maps currently approved require the acquisition of land for the sports park, and the planning and design of the park. The EDHCSD has reviewed the proposed 2013 PFFP, which proposes to eliminate the sports park and has agreed to the proposal provided that the projects continue to pay the Park Development Fees, which is currently \$9,806.00 a unit. Any builder would be subject to this fee or any modified fee at the time of building permit issuance. The EDHCSD letter has been provided (Exhibit D).

Staff Comment: The County has a letter from the EDH CSD stating that they are collecting sufficient fees to cover their infrastructure needs but there is no guarantee that they will use the funds to acquire land and build a sports park in the Specific Plan Area as it is currently conditioned and provided for in the 2004 PFFP. Staff could agree with this change provided there were conditions in place to require the sport park within the plan area.

- c. **Parks and Recreation.** The Specific Plan, Section 5.6.1 states that all park sites will be dedicated to and maintained by the EDHCSD. At the time the Specific Plan was adopted, the EDHCSD Parks and Recreation Facilities Master Plan (Park Master Plan) required that one or more park sites be provided in each village that contains 50 or more units. The proposed 2013 PFFP makes a note that the current Park Master Plan no longer has the requirement for one park site to serve each 50 unit village.

Staff Comment: The notation in the proposed 2013 PFFP would make the assumption that the park requirement could be eliminated with no further action by the County or the developer. However, the park requirement is a Specific Plan requirement that would require amendment by the Board of Supervisors. Staff has reviewed the Park Master Plan and it currently requires 5 acres of parkland for 1,000 residents. Staff would agree that this type of change could occur with the processing of a Specific Plan Amendment.

- d. **School Infrastructure.** The proposed 2013 PFFP has modified the construction of the school related infrastructure (water and sewer) by the 300th unit within the Buckeye School District boundary. The proposed 2013 PFFP requires the collection of funding for the infrastructure but does not require the construction unless needed. The proposed 2013 PFFP revision would condition construction of the access roadway by the 300th building permit. Sewer and Water would be provided by the 300th building permit. If the gravity sewer line is not constructed, it may be necessary to provide an alternative force

main. Alternative PFFP funding would provide this alternative sewer facility. Impacts to wetlands are anticipated with the installation of the water and sewer infrastructure.

Buckeye Union School District Comment: Currently, a lift station is required to provide sewer service for the school. The lift station would additionally serve the majority of the parcels on the west slope of the Specific Plan area. EID is now stating they are not in favor of a lift station, preferring a gravity-fed line.

The District has reviewed the proposed changes with their engineer, Warren Consulting Engineers, Inc. and initially had several concerns regarding the utility services that would serve the school site (Exhibits E and F). The District was concerned because they are not in a position to front funds for services that were to be provided by others by the 300th unit. The developer has addressed the District's concerns as verified in an email dated June 7, 2013 (Exhibit G) and the District's letter dated June 12, 2013 (Exhibit H).

Staff Comment: The developers believe that the 2004 PFFP did not address funding for wetland impacts associated with construction of the water and sewer facilities. The proposed 2013 PFFP revision indicates that the District or the County would be the applicant for the Section 404 permit and any ancillary permits needed for constructing the water and sewer facilities, with all of the funding for the application being paid for by developers. The 2004 PFFP required all improvements to be in place for the School District by the 300th unit. The developer has made the required changes that have been found to be acceptable by the District and staff.

- e. **Park and Ride Lot.** The park and ride lot was to be completed by the 600th unit. This timing component has been eliminated. The developer believes the timing of this facility improvement could be best determined through the priority matrix found in Table 7 of the proposed 2013 PFFP.

El Dorado Transit District Comment: The park and ride lot was to be constructed in phases. The Specific Plan states that the site was to accommodate 100 spaces, with expansion to 200 vehicles (approximately 2 acres). The El Dorado Transit District had planned to assist with the expansion utilizing District funding; however the site acquisition is to be through the PFFP. The District has reviewed the proposed revision and believes the document is unclear as to whether the first phase of the park and ride lot includes design of full buildout of the 200 space facility. If this has not been included, the document would need to be revised to include this language. In addition, the document includes the Transit Authority as a shared funding source; however, this is only a consideration not an absolute. The District does want to work with the County and the developer in a collaborative manner to fund the additional 100 spaces. The District letter has been provided (Exhibit I).

Staff Comment: The County and the District have worked together through the years to make this facility a priority. The District was looking into grant funding to help facility

the complete build out of the facility. The developer has recently agreed to complete this facility by the 600th unit which staff finds acceptable.

- f. **El Dorado Irrigation District (EID) Infrastructure.** According to the developer the 2004 PFFP did not adequately identify the sewer and water facilities necessary to serve the Specific Plan. Instead a subsequent Facilities Plan Report was identified as the method for identifying the facilities needed to serve the plan area. As part of the proposed 2013 PFFP effort, the applicants completed a Core Facility Study to identify the water and sewer facilities needed. Some of the issues addressed in the Core Facility Study and the proposed 2013 PFFP are:

- The Serrano South Uplands Trunk line through Serrano does not have sufficient capacity to serve both remaining units within Serrano and proposed units within Bass Lake.
- The gravity flow trunk line through the old Lincoln Highway would be a “temporary line”, as explained by the EID. CEQA has not been completed for this line, and known cultural resources are located within the area. If cultural resources are significant within the area, it is unlikely that a temporary facility would be permitted when an alternative facility is feasible.
- Serrano proposes a parallel facility to the Lincoln Highway line which is preferred and acceptable to EID. The applicant would need to work with EID and Serrano to connect to this line.

EID Comments: EID has reviewed the changes to the proposed 2013 PFFP and does prefer an offsite gravity sewer alternative rather than the regional lift station. They would prefer to avoid the long term cost of owning and operating a regional lift station when a reasonable gravity alternative may exist. EID has provided a redlined copy of changes to the proposed 2013 PFFP that they would find acceptable (Exhibit J). Costs for acquiring right-of-way for this work has been included in Table 17, page 37.

Staff Comment: The proposed plan for sewer infrastructure relies on facilities not approved or planned for the area. In addition, CEQA has not been completed for these planned facilities. Staff would agree with the basic premise of the Core Facility Study provided that all right-of-way and CEQA clearances can be obtained.

- g. **Outstanding reimbursement to Pulte for Bass Lake Road:** The Subdivision Improvement Agreement (SIA) for Hollow Oak, Unit No. 1 (TM94-1290) states that Pulte was to reconstruct and realign Bass Lake Road from Hollow Oak Road to the north, construct a bike lane and sidewalk along the same section, and widen Bass Lake Road between Highway 50 and Hollow Oak Road.

In exchange, Pulte is eligible for reimbursement for the cost of reconstruction and realignment of Bass Lake Road from Hollow Oak Road to the north from the County’s TIM Fee program in years eleven through fifteen after the completion of the road

improvement. The reimbursement agreement has not been approved as of yet, but as the terms of reimbursement are in an approved SIA, staff considers this to be an “approved” reimbursement and are accounting for a reimbursement totaling \$3,692,152 in fiscal years 17/18 through 21/22 (\$738,430 annual payment) from Zone 8 of the TIM fee program.

Staff Comment: On page 50, the proposed 2013 PFFP states “. . .no reimbursements are due to Hollow Oak developers, according to the County.” This is a misstatement as outstanding TIM fee reimbursements are due as described above. The applicant would need to make a correction to the 2013 PFFP to reflect the reimbursements.

- h. **Phasing of Improvements.** The developer is requesting that the timing and phasing known as “Critical Mass Threshold” be eliminated from the PFFP and that improvements be required on a case by case basis as Tentative Map and Planned Developments are approved within the plan area. According to the developer, this would allow improvements to be required when they are needed to support a project. A matrix of improvements has been proposed (Table 7- proposed 2013 PFFP page 23) and the intent would be for the Transportation Division to condition the individual projects with the improvements. A 25 percent surcharge has been included to insure that there would be adequate funding to construct improvements when needed. This additional funding would allow the County to select the priority of improvements that would need to be built within the plan area. The developer’s intent is that the County could condition projects to build PFFP facilities up to 125 percent of the fee amount for each individual project, or collect the fees and have the facilities built by others.

Staff Comment: Staff is currently concerned that fee collection may not support timely construction of future infrastructure. For example, the Transportation Division has been collecting 30 percent of the El Dorado Hills Traffic Impact Mitigation (TIM) fees to build the Silva Valley interchange for more than 20 years. If the County had to build the interchange using only fees collected to date, there would not currently be enough money to build the facility. The proposed 2013 PFFP puts more liability on the County to deliver facilities. Staff does not agree with this phasing plan and to help illustrate this Exhibit K has been provided.

- i. **Distribution of Bass Lake Road and County Club Drive improvements.** Bass Lake Road is an important transportation facility for the plan area. Under the 2004 PFFP, Bass Lake Road construction was required in two phases. Since that time, one phase of the Bass Lake Road was built as part of the Hollow Oak project. Preliminary nexus studies conducted by the developer indicate it may not be necessary to serve the initial next units constructed. The developers are proposing to break up the remaining Bass Lake Road improvements in two phases to get it built. Under the proposed 2013 PFFP, the segment of Bass Lake Road from Country Club to Hollow Oak Road (F to H) would be a condition of an early development project, as nexus studies dictate. The other phase, from Highway 50 to new Country Club would be constructed by a later project. The proposed revision removes part of County Club Drive from the TIM and puts part of it as

a proposed 2013 PFFP facility and part of it as a strictly developer-funded facility. Country Club from Bass Lake Road to Silver Dove Way is now a proposed 2013 PFFP funded road because it provides access to the school site. It is not clear whether the segment of Country Club from Silver Dove Way to the Specific Plan's western boundary would be needed because the County has no mechanism to extend Country Club beyond the Specific Plan's western boundary.

The intent of the 2004 PFFP was for projects to be developer advanced with reimbursements to follow. This approach required developers to pay TIM fees and to construct TIM fee facilities at the same time and then wait years for reimbursement of the construction costs. The developer believes this approach to be infeasible. The Specific Plan area is comprised of multiple small land owners and projects, and people with small land holdings have found that paying TIM fees and constructing TIM fee facilities at the same time is an obstacle to development. If the developer intends these projects to be initially funded by the local portion of the TIM, this would not be consistent with the intent of the 2004 PFFP. Complete details on Project Status and 2004 and 2013 Cost Comparisons are provided (Exhibit L).

Staff Comment: In 2004, Transportation identified that the Road Impact Fee (RIF) and Traffic Impact Mitigation (TIM) would not have the ability to repay any developer advances for road improvements in the Specific Plan area until other critical improvements within the County had been funded. Staff has identified that the proposed 2013 PFFP redistributes some TIM obligations to PFFP obligations, and eliminates some obligations altogether, such as moving segments of Country Club from the TIM to the proposed 2013 PFFP. The applicant has stated that Country Club from Silver Dove Way to the Specific Plan western boundary may not be needed; however, this road segment is in the County Capital Improvement Program (CIP) as a TIM fee funded project.

The applicant has expressed concern with developer payment of TIM fees and the requirement of constructing TIM facilities. This is common County practice, implemented with developments in Serrano, Pomontory, Valley View, etc.

The following items have been identified as TIM projects with the proposed 2013 PFFP:

- Intersection Improvements on Bass Lake Road, Hollow Oak to north of the Specific Plan Boundary (currently under construction)
- Bass Lake Road from Hollow Oak to "New" County Club Drive
- Bass Lake Interchange Project Study Report (PSR)
- Bass Lake Road-"New" County Club Drive to Highway 50
- "New" Country Club Drive- Bass Lake Road to Morrison Road
- Design Expenses for Previous Developer's Work on Bass Lake Road

Staff does not agree with the developers' proposal. The TIM would not have the ability to repay any developer advances for road improvements for approximately ten years.

- j. **US Highway 50/Bass Lake Road Interchange:** The 2004 PFFP (and the Specific Plan-page 40) required expanding the westbound on-ramp and the eastbound off-ramp to two lanes, and the addition of ramp metering equipment (estimated at \$500,000 in 2004). These are classified as interim (throw-away) improvements that are not part of the ultimate interchange, and therefore are not reimbursable from TIM Fees. The 2004 PFFP had incorporated these costs into the PFFP fee, so the developer that constructed these improvements could be reimbursed from the PFFP fund. These improvements are currently required to be constructed by the 300th unit. According to Caltrans, the interchange does not meet the standard for ramp metering. Traffic studies indicate the required improvements to the interchange are a stop sign on the east-bound off ramp to handle PM peak traffic. The proposal eliminates these improvements completely, except for the “possible” inclusion of a signal at the eastbound off-ramp that would be funded by the PFFP fund.

Additionally, the 2004 PFFP included a \$250,000 project study report (PSR) for the US 50/BLR interchange. This item would be eligible for future reimbursement from the State and/or Local TIM funds (as funding became available). This is also a requirement of the 300th unit in the 2004 PFFP. The proposed 2013 PFFP includes the \$250,000 PSR, with the County having the ability to determine when to complete the PSR through the use of the Bass Lake Hills Public Facilities Fee (BLH PFF).

Staff Comment: The timing component for completing the PSR has been eliminated and relies on the collection of fees to pay for the PSR. The proposed 2013 PFFP puts more liability of completing the PSR on the County, not on the developer. Staff would disagree with this proposal.

- k. **Country Club Road not a TIM fee road from Bass Lake Road west:** On page 18 of the proposed 2013 PFFP, Country Club Road – West of Bass Lake Road – is stated to now be a PFFP locally funded roadway. In the Board-approved 2012 Capital Improvement Plan (CIP) this segment of roadway is in the TIM fee program as a developer-advanced project, to be reimbursed later by the TIM fee.

Staff Comment: This change in the proposed 2013 PFFP would require amending the County’s CIP. The next segment of Country Club from the boundary of the Specific Plan to Silva Valley Parkway has not been programed in the CIP or TIM. The Board would need to discuss whether this road segment would remain in the CIP. Staff would disagree with this proposal, as the road section is currently within the County CIP.

3. Concurrency

The framework of the 2004 PFFP was to address the Specific Plan objective of concurrency. The following are the relevant objectives and policies within the Specific Plan regarding concurrency:

Objective 3.2.1 (Circulation Element-Concurrency): *Ensure that safe and efficient transportation and circulation facilities are provided for concurrently with new development.*

Policy 3.2.1.1: *Development proposals shall be reviewed to determine if significant traffic impacts or reductions in Level of Service (LOS) per Policy 3.5.1.5.11 will occur to existing public roads as a result of the proposed project. Project proponents shall be required to make necessary road improvements or pay a traffic impact mitigation fee (TIM), or some combination of both, to accommodate increases in traffic caused by the proposed project.*

Policy 3.2.1.2: *Development review shall consider the adequacy of public and private roads for emergency vehicle access and for off-site traffic impacts. Inadequate roads shall be improved through such measures as “area of benefit” districts, fees, project approval conditions, assessment districts, or other means. Where no improvement or other acceptable mitigation measures are proposed to alleviate project induced situations concurrent with development, land development projects shall be denied.*

Objective 5.1.2 (Public Services and Utilities Element-Concurrency): *Ensure that adequate public services and utilities, including water supply, wastewater treatment and disposal, solid waste disposal capacity, storm drainage, schools, fire protection, police protection, and ambulance service are provided concurrent with discretionary development or through other mitigation measures provided.*

Policy 5.1.2.1: *Prior to the approval of any discretionary development, the Approving Authority shall make a determination of the adequacy of the public services and utilities to be impacted by that development. Where demand is determined to exceed capacity, the approval of the development shall be conditioned to require expansion of the impacted facility or service to be available concurrent with the demand, mitigated, or a finding made that a CIP project is funded and authorized which will increase service capacity.*

Policy 5.1.2.3: *New development shall be required to pay its proportionate share of the costs of infrastructure improvements required to serve the project. Lack of available public or private services or adequate infrastructure to serve the project which cannot be satisfactorily mitigated shall be grounds for denial of any project or cause for the reduction of size, density, and/or intensity otherwise indicated on the General Plan Land Use Map.*

These policies led the Board to adopt the Critical Mass Threshold based on the first 300 units and the second trigger based on the 600-unit threshold.

Developers Objective: The developers have proposed another way to provide the required infrastructure within the plan area. Their proposal relies on Conditions of Approval on future subdivision maps. The premise is the County would place conditions on the subdivisions requiring infrastructure necessary to serve the amount of development proposed. The proposed 2013 PFFP identifies all of the required facilities in a matrix that the County could utilize as a tool when conditioning projects. Developers would build required infrastructure and obtain

credits (to the extent they are available) and reimbursements (when credits are not available) or pay the public facilities fee (which includes a 25 percent surcharge). According to the developer, the proposed 2013 PFFP puts the County in control of what critical infrastructure is built and when that infrastructure is built. The developers have relied on the following two provisions in developing the proposed 2013 PFFP:

Policy 3.2.1.3: *All developments may be required to either improve street frontage, dedicate land for road right-of-way, provide road improvements, enter into a street improvement agreement, pay fees, provide appropriate mitigation for alternative transportation modes, or provide a combination of the above as may be appropriate for the project.*

Objective 5.1.3: *Efficient Development Pattern: Promote a development pattern that permits the efficient delivery of public services in a cost effective manner.*

4. Comparison of proposed 2013 PFFP and Adopted 2004 PFFP

Staff Comparison: The 2004 PFFP framework was developed based on the Boards policy decision regarding “concurrency”. The Board’s stated objective for the 2004 PFFP was to be certain that all necessary infrastructure and road improvements would be constructed concurrent with development. The proposed 2013 PFFP revision differs from Board policy.

The framework of the Final 2004 PFFP addresses the phasing of all improvements. A comprehensive map of the plan area demonstrating the phasing has been provided (Exhibit M). The following is the adopted phasing:

DEVELOPMENT PHASE	DEVELOPMENT	UNITS
Phase 1	(Hollow Oak, AKA Pulte)	99
Phase 1A (Critical Mass)	Combination of Hawk View, Bell Woods and/or Bell Ranch)	201
Phases 2	Development Agreements	1,104
Phase 3	No Development Agreement	
Holy Trinity Church		54
	Total Specific Plan Units	1,458

There were two critical triggers built into the Phasing program, requiring key improvements to be completed by the 300th and 600th unit. As designed, the 2004 PFFP queues developments such that each phase is unable to proceed until the phase before has completed its project improvements and/or requirements. The only way a subsequent phase may proceed would be to complete all improvements included in its phase and those of its predecessor phases. According to the developer, this creates a problem for the individual small land owner (10 acre lots) which makes up a vast majority of the property ownership within the plan area. It would be expensive for any individual land owner to subdivide their property since they would have to build the infrastructure in the phases ahead of them. In addition, a land owner building a single family

home is subject to the BLH PFF, which could be \$15,000 to \$20,000, in addition to the TIM, and other associated building fees.

The concurrency issue deals primarily with the construction of Bass Lake Road and Country Club Drive. In addition, the 2004 PFFP provides that the following items will be required at the 300-unit critical mass level:

- a. Hwy 50 Interchange Project Study Report (PSR)
- b. Access roads and infrastructure to the school site
- c. Sidewalks and the class I bike trail along Bass Lake Road
- d. Acquisition of 8.7-acres sports park
- e. Design of sports park
- f. Acquisition of 2-acre park-and-ride lot

The 2004 PFFP includes additional timing requirements for other infrastructure items to assure the Specific Plan concurrency requirements are met. These include by the 600-unit:

- a. Construction of the 8.7-acre park
- b. Construction of 100-spaces of the 200-space park & ride lot

The Specific Plan includes a circulation plan that assumes 1,458 homes and the infrastructure to support that level of growth. This has not changed since the approval of the Specific Plan. However, the proposed 2013 PFFP is a change in direction from that which was originally considered by the Board. The adopted 2004 PFFP was structured to provide for the ultimate infrastructure needs and provided the phasing and potential oversizing for future phases. The cost of providing infrastructure was designed to place the burden of infrastructure development on the early phases, with the reimbursement to be provided by later phases. If later phases never materialized, and reimbursement was not forthcoming, the risks would be borne by the early developments, not the County.

Conversely, the proposed 2013 PFFP revision does not guarantee that infrastructure improvements will be completed concurrently with the demand for the improvements. The proposal removes many of the timing requirements for developer construction of major roadway segments, and rather relies primarily on the collection of PFFP Fees to fund these segments. Situations could arise where roadways are operating at unacceptable service levels because of new development in the Specific Plan but there are not sufficient funds in the PFFP fee accounts to construct the necessary improvements.

Additionally, the proposed revision only requires developers to construct primary and secondary Non-TIM Fee funded roadway improvements that are contiguous to their project's boundaries, or alternatively to make a payment to the BLH PFF fund, or construct a section in accordance with Conditions of Approval. This could potentially require the County to construct segments of roadways with the money in the BLH PFF fund (if there were sufficient funds available) to connect partial roadways that were constructed by developers to serve their development only. This differs from the approved 2004 PFFP in that the approved version had specific requirements

for construction timing (based on issuance of building permits in the Specific Plan) of complete segments of non-TIM Fee roads. This assured that portions of the circulation plan for the Specific Plan were completed at certain stages of development, which reduces the chance for unacceptable service levels to develop on the roadways throughout the Specific Plan area.

Generally, there are several problems when fees are collected in anticipation of accumulating enough funds to construct future infrastructure projects:

- Usually, the fee is based on an engineer's estimate using current estimates of projected costs, and if the project is not constructed for 5 or 10 years, chances are that there will not be enough money to pay actual construction costs in the future due to normal inflationary increases. (The estimates for the 2013 PFFP were completed using 2008 project dollars).
- As most of these future roadways do not have final plans completed, the engineer's estimates could be underestimated by a considerable amount because of unforeseen issues that would be discovered in the process of surveying, etc, while completing final plans.
- The proposed revision moves the responsibility of finding such excess funding for road construction to support Specific Plan development from the developers to the County, which is contrary to design of the 2004 PFFP framework.

Developer Comparison: The proposed 2013 PFFP ensures that the entire 2004 PFFP infrastructure is built. The developer proposes all Critical Mass Threshold improvements to be constructed early in the development phases, although not at the exact same time periods as the 2004 PFFP. With the 25 percent surcharge proposed on the BLH PFF and the priority matrix, the County will have funding for infrastructure when it is needed. The proposed revision provides for the construction of the infrastructure as it is needed, thus spreading the costs over a broader portion of the project area. The 2013 PFFP provides for the concurrent development of infrastructure by requiring that each project shoulder the cost of the infrastructure required to serve the project and maintain appropriate levels of service. For instance, a small project may come forward prior to the construction of a major segment of Bass Lake Road. Pursuant to a traffic study submitted with the project the improvements to that segment of Bass Lake Road are not required as a result of that project. Accordingly, County staff would review the circumstances and may elect to require other minor improvements triggered by the project or elect to collect the TIM fees from the project and direct them to other priority projects in the County's CIP.

The County would have the authority to require developers within the plan area to impose conditions to ensure that financing plan funded roadways are constructed in a timely and efficient manner. To the extent that a developer is required to construct roadway areas which exceed those necessitated by the subdivision, such as extending road frontage improvements over a neighboring property, PFFP funds would be utilized to reimburse the constructing developer. A constructing developer would always be taking the risk that financing plan funds do not become available should development cease within the Specific Plan area. However, that

was a risk inherent in any fee funded program including both the 2004 PFFP and the proposed 2013 PFFP.

5. Traffic Impact Mitigation (TIM) and Road Impact Fee (RIF) Program

The 2004 PFFP included major roadway facilities within the Specific Plan that were included in the Road Impact Fee (RIF) and TIM Capital Improvement Program's (CIP). These included:

- a. Bass Lake Road
- b. County Club Drive
- c. Highway 50/Bass Lake Road Interchange PSR

The Transportation Division has established that the RIF and TIM would not have the ability to repay any developer advances for road improvements in the Specific Plan area until other critical improvements within the County have been funded. Right-of-way acquisition and construction funding of Bass Lake Road would be provided by the developers with eventual reimbursement from County RIF and TIM programs. The DA holders were required to provide right-of-way with no reimbursement. Developers who fund initial infrastructure would enter reimbursement agreements with the County. Specific Plan developers would be required to pay the TIM fees as well as construct the Bass Lake Road improvements. Because of construction phasing, some of the costs identified would not be eligible for reimbursement from the RIF and TIM programs if they were considered to be "throw away" costs for items not included in the final improvements.

Country Club Drive is the major east-west urban collector road in the Specific Plan. Eligible right-of-way acquisition and construction funding would be provided by developers with eventual reimbursement from the County RIF program.

6. Active Tentative Maps, Conditions of Approval and Specific Plan

Hawk View, Bell Woods and Bell Ranch were approved by the Board on April 28, 2005. A three year extension was granted, extending the maps to April 28, 2008. A subsequent five year extension was granted, extending the maps to April 28, 2013. Assembly Bill 208 provided an automatic two-year extension to the maps, which extended the maps to April 28, 2015. Assembly Bill 116 provided an additional automated two-year extension, extending the maps to April 28, 2017.

The Conditions of Approval for these projects contain the Phase 1A improvements as specified in the 2004 PFFP. If a revision to the 2004 PFFP were to be considered as proposed, there are impacts to the Conditions of Approval and Specific Plan as a whole:

- a. The Tentative Maps would need to be revised to address changes to the Conditions of Approval to address the Phase 1A improvements, building permit issuance, school infrastructure and the elimination of the sports park. A formal application would be required to process requested changes; and,

- b. The Specific Plan would require an amendment to address elimination of the school infrastructure by the 300th unit and to allow for parks to be developed in accordance with the 2007 Parks Master Plan, which currently requires 5 acres of parkland for 1,000 residents. Other amendments may be necessary which would be determined with a formal application submittal.

7. Recommendation

Based on public testimony, Board discussion, and recognizing that other options may become apparent; staff proposes the following options for next steps:

1. Conceptually endorse the proposed 2013 PFFP and direct staff to continue to work with the developer to address outstanding issues and return to the Board with a draft final 2013 PFFP for consideration, or
2. Conceptually endorse revising the 2004 PFFP; provide staff direction regarding which proposed revision(s) outlined in Section 2 of staff’s report should be included in the revised PFFP; direct staff to return to the Board with a draft final 2013 PFFP for consideration, or
3. Determine that a revision to the 2004 PFFP is not necessary and direct staff to work with the developer(s) on potential revisions to the Conditions of Approval that may allow for flexibility in meeting the project objectives, or
4. Determine that a revision to the 2004 PFFP is not necessary, thereby upholding the 2004 PFFP to be the financial framework for developing within the plan area.

ATTACHMENTS

Exhibit A.....	2004 Specific Plan PFFP
Exhibit B.....	July 12, 2013 Revised Specific Plan PFFP
Exhibit C.....	Development Agreement Analysis
Exhibit D.....	El Dorado Hills CSD- May 21, 2013
Exhibit E.....	Buckeye Union School District-May 21, 2013
Exhibit F.....	Warren Consulting Engineers, Inc.- May 20, 2013
Exhibit G.....	Norm Brown E-mail- June 7, 2013
Exhibit H.....	Buckeye Union School District-June 12, 2013
Exhibit I.....	El Dorado Transit- December 12, 2012
Exhibit J.....	EID PFFP Redline comments
Exhibit K.....	Phasing of Improvements
Exhibit L.....	2004 and 2013 PFFP Cost Comparisons
Exhibit M.....	Comprehensive Map of Specific Plan area

