



# COMMUNITY DEVELOPMENT AGENCY

## DEVELOPMENT SERVICES DIVISION

<http://www.edcgov.us/DevServices/>

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Date: February 8, 2017  
To: Board of Supervisors  
From: Roger Trout, Division Director  
Subject: A11-0006/Z11-0008/PD11-0006/TM11-1505/ DA14-0001/Dixon Ranch;  
Amendments to Development Agreement

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The Community Development Agency, Development Services Division recommends the following changes to the Dixon Ranch project's Development Agreement:

1. **Section 3.2.3**

Revise the first sentence as follows: "...which shall provide for an annual special tax currently estimated in the amount of Two Hundred and Thirty-One Dollars (\$231) per residential unit, with the final amount of the special tax to be determined based on an updated fiscal impact analysis prepared by the Developer following completion of LAFCO annexation proceedings."

2. **Section 3.8**

Change section header to "Cooperation". Add the following sentence: "Developer shall cooperate with County and support County's efforts through the LAFCO annexation process to adjust the allocation of property tax revenue within the area affected by the Project."

The Dixon Ranch Project requires annexation to the El Dorado Hills Fire Department, El Dorado Hills Community Services District, and the El Dorado Irrigation District. Annexation approval is subject to the Local Agency Formation Commission (LAFCO).

Each special district receives a portion of the property tax for area within its boundaries through the LAFCO process. The El Dorado Hills Fire Department traditionally receives about 17 percent of the 1 percent of property taxes generated by properties within District boundaries. However, that traditional property tax share is negotiable for new projects being annexed to the District. Through the Fiscal Impact analysis prepared for the Dixon Ranch project, it is apparent that the El Dorado Hills Fire Department traditional property tax share detracts from El Dorado County's share. The Development Agreement attempts to reconcile the difference by requiring the Dixon Ranch Project to supplement its property tax with additional annual funds (Section 3.2.3-Public Services Funding in the Development Agreement).

The proposed Development Agreement set a specific requirement on the Dixon Ranch Project to provide a \$231 per lot annual fee, but it was based on a number of assumptions. The figure was based on a Fiscal Analysis prepared in 2015 and based on the FY 14/15 County budget. It is based on a traditional allocation of property taxes, which is yet to be negotiated through the LAFCO annexation process. The implementation would be through the establishment of a Community Facilities District (CFD).

Staff recommends that a simpler solution for County Public Services Funding is to negotiate a property tax allocation more favorable to the County. Staff recommends the changes to the Development Agreement to accommodate the property tax allocation negotiation.