



**CHIEF ADMINISTRATIVE OFFICE
EL DORADO COUNTY**

Date: May 16, 2018

To: The Honorable Board of Supervisors

From: Don Ashton
Chief Administrative Officer

Subject: EL DORADO HILLS COMMUNITY SERVICES DISTRICT IMPACT FEES

The El Dorado Hills Community Services District is requesting the Board adopt new parks and recreation development impact mitigation fees, based on a nexus study conducted by David Taussig and Associates. The District has followed the appropriate process for determining the fees and the nexus study methodology complies with the California Mitigation Fee Act. The District provides a high level of parks and recreation services to its residents and I support the District's efforts to maintain that level of service as development occurs due to the benefits parks provide in creating healthy communities. In addition, it appears the District has taken appropriate actions to have sustainable funding for their services through the recent adoption of a new fee schedule.

However, I feel it is important to bring to the Board's attention the impact these new fees may have on the County's ability to meet our housing obligations as required by the State of California. State law requires the County to include a housing element in its general plan and to adopt plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development for all income levels. The State Department of Housing and Community Development and the regional planning body (COG) determine the region's regional housing needs assessment (RHNA) and allocate a number of units, stratified by income level, for which each local jurisdiction must plan. Based on the latest (RHNA), the County's required allocation of housing units by income level is: 1,086 Very Low; 762 Low; 823 Moderate; and 1,757 Above Moderate. As the County enters the 6th year of its housing element implementation, the actual units constructed through 2017 include: 59 Very Low; 253 Low; 47 Moderate; and 2,893 Above Moderate.

While the District's proposed fees include a reduction of approximately \$370 (5%) per unit for multi-family housing, the fees for single family units and age-restricted units are proposed to increase by \$1,900 and \$1,100, respectively, approximately 20%. The specific effects such increases may ultimately have on housing prices are arguable; however, the County appears to be falling well short of meeting its RHNA requirements for Very Low, Low, and Moderate housing units for all ages. It is important that we avoid any action that may be seen as unduly constraining development of such units. If the State perceives local jurisdictions are unduly

constraining housing, there is a risk the State will impose restrictions on the County's land use authority, as well as suspension of the County's authority to issue building permits, grant any or all categories of zoning changes, use permits, or both; and grant subdivision map approvals. Such restrictions would also impact the District by constraining revenue-generating development within its boundaries.

Lastly, it is important to distinguish this recommendation to increase impact fees for parks and recreation from recommended increases in impact fees for fire service. Enabling fire districts to plan for adequate facilities to provide essential fire and emergency medical services in the future is a high public safety priority consistent with the County's Strategic Plan, and does not constitute an "undue constraint" on housing development.

As a subdivision of the State, the Board must consider how to balance maintaining service levels that make El Dorado County a desirable place to live while also complying with State mandated housing requirements. The Board should also keep in mind staff are currently evaluating nexus fees for parks in the unincorporated areas of the County which will have similar policy implications.

Recognizing the difficulty in balancing competing priorities, my office is ready to facilitate whatever direction the Board provides for working with the District on this matter.

c. Clerk of the Board