



Jim Mitrisin <jim.mitrisin@edcgov.us>

## Revising Parks and Recreation Development impact mitigation fees - May 22, 2018

1 message

**Debbie Manning** <debbie@eldoradohillschamber.org>

Fri, May 18, 2018 at 12:28 PM

To: The BOSONE <bosone@edcgov.us>, "Shiva Frentzen (bostwo@edcgov.us)" <bostwo@edcgov.us>, The BOSTHREE <bosthree@edcgov.us>, Mike Ranalli <bosfour@edcgov.us>, "bosfive@edcgov.us" <bosfive@edcgov.us>

Cc: James Mitrisin <jim.mitrisin@edcgov.us>, "Donald Ashton (don.ashton@edcgov.us)" <don.ashton@edcgov.us>, Kevin Loewen <kloewen@edhcsd.org>

Board of Supervisors,

RE: **39. 18-0792** HEARING - The Board is asked to consider a request from the El Dorado

Hills Community Services District ("District") to adopt and authorize the

Chair to sign Resolution **101-2018** revising parks and recreation

development impact mitigation fees for the District. (Est. Time: 30 Min.)

CAO Comments:

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

We too are concerned that we are not going to be able to meet the housing requirements mandated by the State. The last thing we need is for the State to impose restrictions on our County's land use authority. To quote your CAO.

"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."

Our recommendation is to continue this item and meet with all parties who have an interest in ensuring El Dorado County has the tools need to meet their mandated housing requirements.

Best,

**Debbie Manning**

President & CEO

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California Welcome Center

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May 17, 2018

Ms. Michael Ranalli  
Chair, El Dorado County Board of Supervisors  
330 Fair Lane  
Placerville, CA 95667

Dear Chair Ranalli,

This updated letter outlines the North State Building Industry Association's remaining concerns about the proposed El Dorado Hills Community Services District park fee increases, and reflects analysis from the CSD that we have just recently become aware of. This is an issue that we have been working on with the CSD for more than a year. While we appreciate their willingness to address a number of the issues we have raised, substantive concerns remain. We respectfully recommend and ask that these issues be resolved before a final decision is made at the Board of Supervisors regarding the park impact fee.

**Currently, the El Dorado Hills CSD has one of the highest park fees in the region at \$9,806 per home, compared to the regional average of \$6,334. (See chart below)**

**The CSD is now proposing a 20% increase to \$11,718 for every new single-family home.** Their plan also calls for new residents to pay a much higher portion of the cost of constructing new facilities and maintaining existing facilities compared to what current residents pay and compared to what others pay throughout the region. The following are some specific concerns about the costs associated with the newly proposed \$11,718 fee.

- The CSD's per acre construction costs of \$684,525 are 20% to 50% higher than neighboring jurisdictions currently engaged in building new parks. For comparison, Folsom South of 50 sets costs at \$446,261 for a neighborhood park and \$573,130 for a community park. The CSD has not demonstrated a need for their higher numbers.
- The CSD notes that its most recent park, constructed just three years ago, actually cost \$598,000. Their analysis indicates that increased construction costs and "unaccounted costs" requires the nearly \$100,000 per acre increase in construction costs. We contend that overpaying for previous parks and including "unaccounted costs" in the estimate do not justify this increase.
- The CSD asserts that their proposed park fees are a smaller percentage of the total cost of home construction compared to others in the region, but this is not a legally defensible reason to adjust rates as the cost of the homes in El Dorado County have no bearing on the cost to construct or maintain the parks facilities this fee supports.

North State Building Industry Association

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We also fear that new residents in future projects are being asked to pay for more than their share of facilities. Simply put, new residents represent only 23% of the total population at buildout, but by the CSD's own admission they are being asked to pay 34% of the cost of the proposed Multi-Generational Facility. This results in nearly a \$3 million overcharge, or \$9 million instead of \$6.1 million. Similarly, new residents are being asked to pay 46% of the new Aquatic Center. This results in a \$2 million overcharge, or \$3.9 million instead of \$1.9 million. The CSD points out that their Master Plan has many avenues to resolve funding shortfalls, but does not indicate which approach will, or even might be taken. Our goal is to ensure that future home prices are not increased for parks that do not materialize.

Finally, we share Chief Administrative Officer Ashton's concerns that this fee increase will hurt the County's ability to meet its RHNA quota. If the State believes the County is not taking steps to meet these goals, it could suspend the County's land use authority, impacting our members' and your constituents' ability to build and live in a community consistent with the beautiful vision we have realized together so far.

Thank you for taking the time to carefully consider our position on this important issue. We look forward to continuing our positive, collaborative relationship with the CSD, the County, and our membership to keep El Dorado County a highly desirable place to live.

Sincerely,

A handwritten signature in cursive script that reads "Chris Norem".

Chris Norem  
Director of Governmental & Political Affairs  
North State Building Industry Association

Cc: Supervisors Hidahl, Frentzen, Veerkamp, Novasel

