File #: 21-0022, **Version:** 1

Chief Administrative Office recommending the Board order the Auditor-Controller to disburse $176,959.97 to the El Dorado Hills Community Services District from its park and recreation development impact mitigation fee account for fee program administration and expenditures related to the Bass Lake Community Park, Kalithea Park, Valley View Park, and Heritage Village Park.

FUNDING: Development Impact Fees.

DISCUSSION / BACKGROUND

The California Mitigation Fee Act (Cal. Gov. §66000 et seq.) provides for the establishment of fees to mitigate the impacts of new development on public facilities in order to maintain the established level of service. Individual Special Districts do not have the authority to establish these fees; as a result, the County establishes fees on behalf of the districts. In accordance with the Mitigation Fee Act, these revenues are segregated and deposited into a separate account for each district.

In addition to the purchase of facilities and equipment necessary to mitigate the effects of new development on the districts' ability to provide services, the Mitigation Fee Act provides for use of the fee revenue to fund administration of the fee program. The El Dorado Hills Community Services District (District) charges 2% of revenue collected to fund its fee program administration.

At the request of the District, on July 21, 2020, the Board of Supervisors approved a disbursement totaling $351,851.85 (Legistar #20-0882) for expenses incurred during the period of July 1, 2019 through June 22, 2020 in the amount of $351,851.85 as described below:

- Administration Costs: $12,990.57
- Bass Lake Park: $221,010.05
- Valley View Park: $61,348.32
- Kalithea Park: $1,000
- Heritage Village Park: $55,502.91

On October 28, 2020, the District informed the County that the reimbursement amounts for Bass Lake Community Park and Heritage Village Park were inaccurate due to a formula error in their professional services accounting sheets. The accurate total for Bass Lake Community Park should have been $99,553.46, a difference of $121,456.59, and the accurate total for Heritage Village Park should have been $27,729.20, a difference of $27,773.71.

The District's current request covers costs incurred during the period of June 23, 2020 through October 27, 2020, which totals $326,190.27. Correcting for the overpayments that were made in July 2020, the disbursement amount requested by the District totals $176,959.97 as detailed below and included in the District’s request which is attached:

	Current Request	Error Correction	Net Request
Administration Costs:	$15,048.57		$15,048.57
Kalithea Park:	$118,333.08		$118,333.08
Valley View Park:	$148,456.65		$148,456.65
Heritage Village Park:	$2,414.00	($27,773.71)	($25,359.71)
Bass Lake Park:	$41,937.97	($121,456.59)	($79,518.62)
Total	**$326,190.27**	**($149,230.30)**	**$176,959.97**

The County entered into an agreement dated December 19, 2017 with EDHCSD, whereby the district agrees to "hold County harmless and defend County and its employees, officers, and agents from any claim, liability, or action" resulting from the County's calculation, imposition, and collection of impact fees on the District's behalf.

The Chief Administrative Office recommends the disbursement of funds for the above-described uses because they are consistent with the purpose for which the fee was collected, the District and County are currently in compliance with the Mitigation Fee Act, and the indemnity agreement between EDHCSD and the County sufficiently protect the County from potential liability related to the disbursement.

ALTERNATIVES
N/A

PRIOR BOARD ACTION
July 21, 2020 - 20-0882 EDHCSD Fee Disbursement Request
December 19, 2017 - 17-1355 - Agreements with Special Districts Related to Development Impact Mitigation Fees

OTHER DEPARTMENT / AGENCY INVOLVEMENT
N/A

FINANCIAL IMPACT
There is no fiscal impact to the County. Impact mitigation fees are collected by the County on behalf of the district and held in a separate account.

CLERK OF THE BOARD FOLLOW UP ACTIONS
N/A

STRATEGIC PLAN COMPONENT
N/A

CONTACT
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