

# El Dorado County Budget Drivers and the EDH Town Center Apartments

Presented to EDHAPAC

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## 2017/2018 County Budget Drivers

- Primary Revenue (Property Tax- 92% of revenue and Sales Tax- 8% of revenue) are forecast to increase by approximately 4.4%
- Primary Expenses such as Wages, Benefits (PERS liability is starting to grow rapidly) and other committed costs are forecast to increase by approximately 7%
- PERS expenses will be much higher in 2018/2019 and are expected to grow at an ever increasing rate over the next decade
- To achieve a Structurally Balanced Budget (my #1 Goal/commitment during my campaign) we must either:
  - Increase Revenues via a County sales tax increase (requires 2/3rds vote) or minimizing sales tax leakage or Economic Development or.....
  - Reduce Expenses by reducing services (staff reductions) year over year to balance the rampant cost growth or .....
  - Combinations thereof (on-going organizational efficiencies/cost reduction will help, but will not solve the imbalance)
- In Riverside County, where their PERS unfunded liability is ~ \$ 3 B, a BOS stated:  
“I’m concerned we are looking at wholesale elimination of departments and services”.  
“Pension costs are the single biggest threat to our budget ever”. “It dwarfs what we are doing now. The next 10 years are going to be miserable unless we grow our way out of it. But economic expansion is not enough to take care of this”.

# What is Economic Development at the County Level?

“From a public perspective, local economic development involves the allocation of resources- land, labor, capital and entrepreneurship in a way that has a positive effect on the level of business activity, employment, income distribution patterns, and fiscal solvency”

Simply defined, economic development is the creation of wealth in which community benefits are created.

*From a recent Flashvote survey: District 1 residents (212) responded that the 4 most important aspect of economic development are: 1) Good Schools; 2) Recreation Options; 3) Restaurant Options; and 4) Job Opportunities*

Economic Development

Secure | https://www.edcgov.us/Government/CAO/StrategicPlan/Pages/Economic-Development.aspx

COUNTY OF El Dorado

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Chief Administrative Office Menu

# Economic Development

Enable a Prosperous and Vibrant Economy

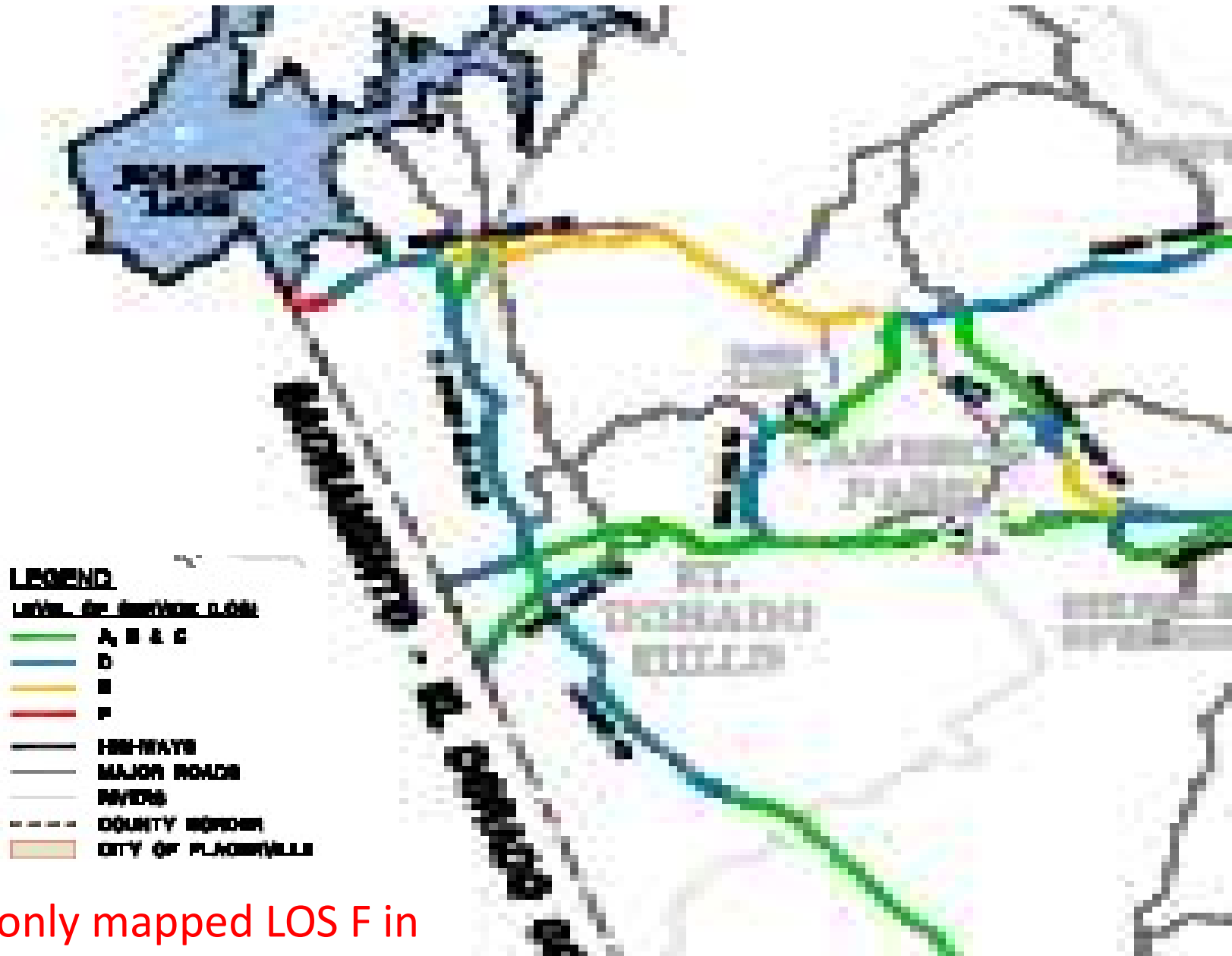
## Six objectives for Economic Development in El Dorado County

- Attract, develop and retain businesses that provide economic sustainability and quality job creation
- Increase employment opportunities by improving workforce development skills
- Invest in infrastructure needs to improve and maintain competitiveness
- Strengthen the County's business-friendly reputation
- Develop and maintain an economic development plan that is time relevant and community and market oriented
- Provide diverse workforce housing options - balance jobs with housing

Economic Development efforts will be focused on the following areas

- Building a County-wide Economic Development Team and Culture so that we are in a position to respond quickly to opportunities as they
- Improving Communication, Outreach, and Image Development  
[View Details](#)
- Explore 90-day permit processing to identify barriers and potential solutions

# 2015 DOT LOS Map (Existing) Scenario



The only mapped LOS F in District 1 is on Green Valley Rd.

## OBJECTIVE 2.2.6: SITE SPECIFIC POLICY SECTION

Establishment of site specific policies are given to provide additional, specific direction for the development of land where circumstances apply to areas of special interest.

Policy 2.2.6.6 Within Village T as shown in the EI Dorado Hills Specific Plan, the development and implementation of extensive commercial, residential and office development provides a unique opportunity to serve the needs of residential uses sited within a short enough distance to allow biking, walking and other alternative modes of transportation to avail themselves of goods and services. This Specific Policy designates the approximately +4.565 acre site comprised of Parcels 1, 2 and 3 as shown on parcel map for Town Center East. Parcel 3.4 filed September 29, 2008 in Book 50 of

Parcel Maps at page 44, Official Records of El Dorado County, California (APN Nos. 121-290-60, 61 and 62) as "Urban Infill Residential Area". This area, because of its proximity to extensive commercial, retail, office and similar development in the balance of the EI Dorado Hills Town Center, is deemed to be appropriate for dense infill development. The density of development allowed in this area may exceed the density of development set forth in other sections of this General Plan or zoning regulations up to a density of 55 units per acre upon the approval of a PD Development Plan approval and findings that the requested level of development is appropriate. Notwithstanding any other provisions of this General Plan or the EI Dorado Hills Specific Plan or the zoning ordinance, the development restrictions and standards to apply in the Urban Infill Residential Area, including height limits, shall be those out in the approved PD Development Plan.

## Excerpt from the Agriculture, Business & Communities of El Dorado public comment submitted to the Board

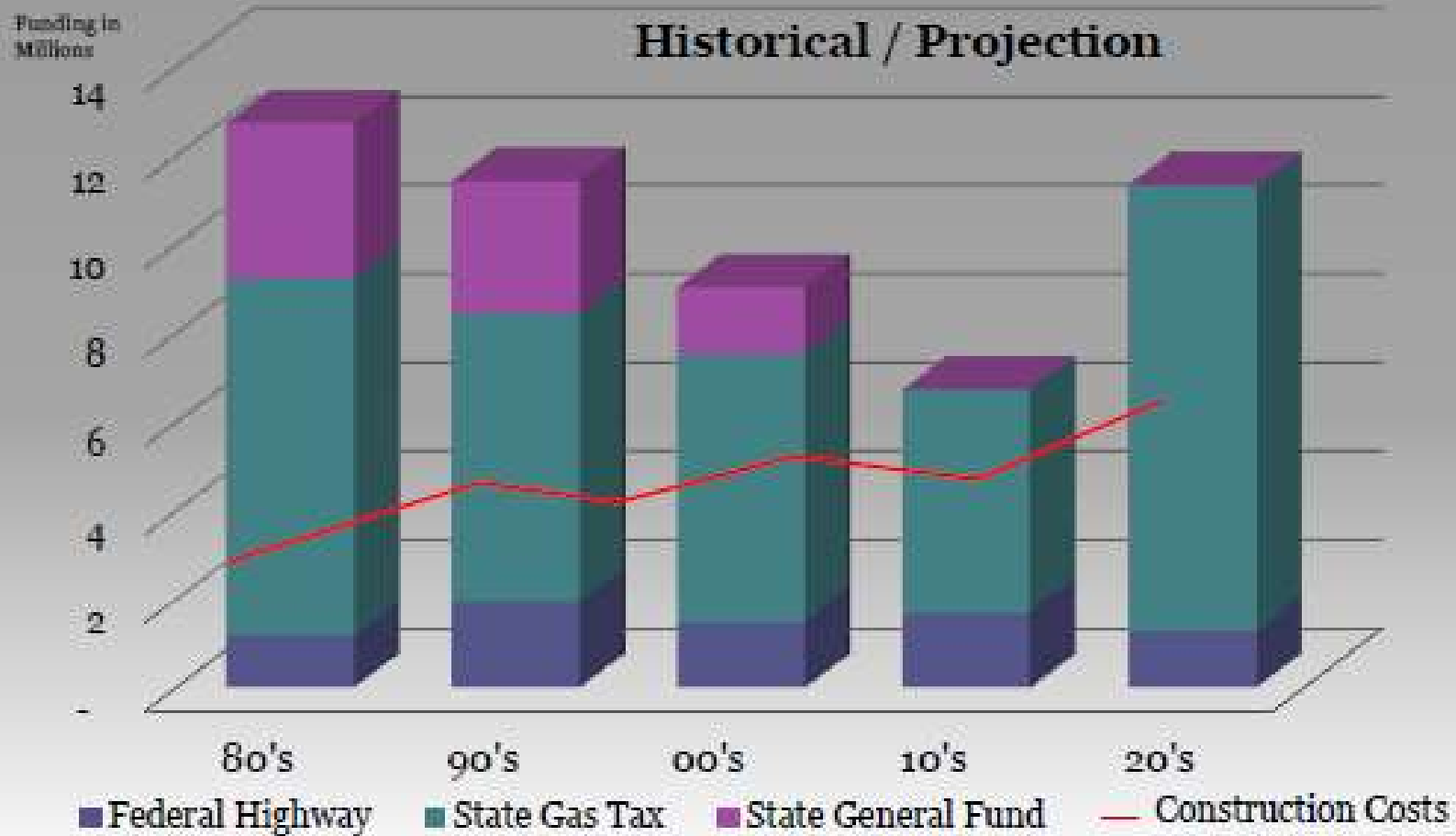
### The Proposed Apartment Project

Meanwhile, the applicant has submitted an application for a new apartment project at the same site.<sup>5</sup> This time, CEQA review of the project includes a full environmental impact report (EIR) rather than a mitigated negative declaration. The new project has a lower density than the prior 250-unit project and contains 214 units in two four-story buildings, with a contiguous parking structure. The application requests the following approvals: 1) a General Plan Amendment adding a site-specific policy increasing the residential density *for this site only* from 24 units per acre to 47 units per acre; 2) an amendment to the El Dorado Hills Specific Plan adding an “Urban Infill Residential” land use within the Town Center East village; 3) approval of a rezone to Residential Multi-Family Planned Development (RM-PD) with appropriate standards to implement the proposed project; 4) revisions to the Town Center East Development Plan to incorporate standards for this residential project.

The proposed apartment project is treated as a residential development within a commercial property rather than a component of a mixed-use development. However, by adding housing to the existing Town Center, all of the elements of mixed-use development are met. If analyzed as a mixed-use project, the addition of 214 apartments to the 130-acre Town Center East Planned Development represents a residential density of fewer than 2 units per acre – substantially less than the density allowed by the adopted General Plan.

## Excerpt from DOT Budget briefing to the BOS

### Transportation Budget



With the State approved SB1 Funding, road maintenance revenues are only at 1990 levels



Conclusion: El Dorado County Government is faced with some major budget challenges over the next decade

- Rapidly rising Cal PERS costs
- Wages and other benefits as defined in labor contracts
- On-going 'end of life' facilities/buildings needs
- Normal inflationary trends (increased labor and materials costs)
- Constrained Property Tax revenues
- Sales Tax Leakage to Folsom, and Sacramento and Placer Counties
- State's continued trend to reduce/stop funding Counties for mandated services
- Potential repeal of SB1 which is finally starting to bring the State's road maintenance funding up to 1990's levels
- Growing Homeless population

Responsible Economic Development can help provide County revenue and jobs, not just more 'bedroom community' rooftops