

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF MARCH 26, 2014*

### *REGULAR MEETING*

**TO:** Don Mette, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**PREPARED BY:** Erica Sanchez, Policy Analyst

**AGENDA ITEM #6:** Malcolm Dixon Estates Reorganization to the El Dorado  
Irrigation District and El Dorado Hills County Water District

**LAFCO Project No.** 2013-01

**PROPONENTS:** Diamante Development, LLC and Christopher LaBarbera

**AGENT:** Olga Sciorelli, CTA Engineering and Land Surveying

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### **DESCRIPTION OF PROJECT**

The Malcolm Dixon Estates Reorganization to the El Dorado Irrigation District (EID) and the El Dorado Hills County Water District (EDH Fire) is a request to annex APNs 126-490-01 and 126-490-02 (formerly APN 126-100-23) into EID and EDH Fire in order to receive water and fire protection and emergency response services to support the 8-lot Malcolm Dixon Estates (MDE) Subdivision. A map of the reorganization area with current district boundaries is included as 'Attachment A' at the end of this report.

### **LOCATION**

The project site is located in El Dorado Hills, on the north side of Malcolm Dixon Road, one mile east of the Salmon Falls Road and Green Valley Road intersection.

### **PURPOSE**

The applicant and landowners, Diamante Development, LLC and Christopher LaBarbera, plan to subdivide the 40.65 acre project site into eight single family residential lots, five acres in size. Annexation into EID is requested in order to receive water service and fire hydrants for the proposed development; the applicant plans to utilize private septic systems for each lot and is not requesting wastewater service from

EID. Annexation into EDH Fire is requested in order to obtain fire protection and emergency response services for the MDE Subdivision. The subdivision was also conditioned by the Board of Supervisors to include annexation into both districts prior to filing the final map.

### **RECOMMENDATIONS**

Staff recommends that the Commission take the following actions:

1. Recognize that El Dorado County, as the lead agency for the project, has prepared a Mitigated Negative Declaration and CEQA determinations which have been found to be adequate for the purposes of the reorganization and direct staff to file a Notice of Determination in compliance with CEQA and local ordinances implementing the same.
2. Adopt LAFCO Resolution L-2014-03 (Attachment F), adding any additional conditions the Commission finds appropriate and approve the Malcolm Dixon Road Estates Reorganization to the El Dorado Irrigation District and El Dorado Hills County Water District
3. Waive the Conducting Authority Proceedings subject to Government Code §56663 and local policies.
4. Direct the Executive Officer to complete the necessary filings and transmittals as required by law.
5. Determine the effective date of the approval of this agreement to be five (5) working days after recordation by the County Recorder of the Executive Officer's Certificate of Completion once the imposed conditions are met.

### **REASON FOR RECOMMENDATION**

Following an analysis of the reorganization with consideration of the 28 factors listed in Government Code §56668 and LAFCO Policies (Sections 1-28, below), staff recommends the Commission approve the MDE Reorganization into EID and EDH Fire in order to receive water and fire protection and emergency medical services.

### **BACKGROUND**

#### *Site Description*

The 40-acre project site is comprised of two parcels: APNs 126-490-01 (5.36 acres) and 126-490-02 (35.29 acres). APN 126-490-01 contains existing development, consisting of a single family residence served by private well and septic system, a swimming pool, several outbuildings, and extensive paved and graded areas. Current driveway access to this parcel is from a partially paved road easement off Malcolm Dixon Road.

Access to Malcolm Dixon Estates would be from a proposed roadway connection to Malcolm Dixon Road to the south, extending further south to provide an additional connection to Green Valley Road. Additional access could eventually come from two proposed roadway connections through neighboring subdivisions: one at the adjacent Diamante Subdivision to the south onto Malcolm Dixon Road and another connection to the northwest onto Salmon Falls Road through the La Canada Subdivision (a map of adjacent projects is included as Attachment D).

### County Approval

The tentative subdivision map to create eight single-family lots was approved on June 15, 2010 by the El Dorado County Board of Supervisors, including a zone change from Exclusive Agriculture (AE) to Estate Residential 5-acre (RE-5).

On February 11, 2013, the Board of Supervisors approved a revision to the approved tentative map to include a two-phase Phasing Plan for financing purposes. Phase 1 includes Lot 8, the portion of the project site that includes an existing residence; Phase 2 includes Lots 1-7. The applicant requested the revision in order to record Lot 8 as Phase 1 to allow financing for the completion of the approved conditions. By approving the Phasing Plan, the conditions of approval for the Malcolm Dixon Estates Subdivision, including annexation into EID and EDH Fire, were deferred until Phase 2.

### LAFCO Application

The landowner, Diamante Development, LLC, initiated the reorganization petition for APN 126-100-23 with LAFCO in April of 2013. However, when the final map for Phase 1 was recorded in August 2013, APN 126-100-23 was split into two parcels, APNs 126-490-01 (Lot 8) and 126-490-02 (Lots 1-7). APN 126-490-01 is owned by Christopher LaBarbera; APN 126-490-02 is owned by Diamante Development, LLC, of which Mr. LaBarbera is a managing partner.

### Adjacent Developments

The Malcolm Dixon Estates property represents a 40-acre portion of a larger 376-acre area that is expected to be developed in the near future with a total of 97 single-family residences on 1-10 acre lots (see Attachment D). The area consists of four separate residential projects, all of which have been approved by the County since 2009, including the Alto subdivision to the north, the Diamante subdivision to south/west and the La Canada subdivision to the northwest. All four residential projects were conditioned to require annexation into EID for water service (all four propose to utilize private septic systems), and Diamante and Malcolm Dixon Estates were also conditioned to require annexation into EDH Fire for fire protection and emergency medical services. LAFCO approved the Alto and La Canada annexations in May 2010 and April 2011, respectively; Diamante Estates currently has an active application with LAFCO.

Given the known adjacent developments, the Commission should evaluate the MDE reorganization in context with these other projects and the ultimate expected service demand in the area. The chart below summarizes the approved development in the area between Salmon Falls Road and Malcolm Dixon Road:

| <b>Project</b>                           | <b>Description</b>                                    | <b>Annexation to</b> | <b>EDUs</b>     | <b>Project Status</b>  |
|--|---|----------------------|-----------------|--|
| <b>Malcolm Dixon Estates Subdivision</b> | 40 acres, 8 lots (5 acres)                            | EID and EDH Fire     | 24              | Approved by BOS June 2010, Phasing revision approved February 2013; LAFCO consideration of annexation March 2014 |
| <b>Alto Subdivision</b>                  | 82 acres, 23 lots (2-3 acres), density bonus applied  | EID and EDH Fire     | 25              | Approved by BOS May 2009; LAFCO approval of reorganization May 2010  |
| <b>La Canada Subdivision</b>             | 141 acres, 47 lots (1-4 acres), density bonus applied | EID                  | 47              | Approved by BOS January 2010; LAFCO approval of annexation April 2011, pending completion of final conditions    |
| <b>Diamante Estates Subdivision</b>      | 113 acres, 19 lots (5-10 acres)                       | EID and EDH Fire     | 59              | Approved by BOS October 2009; LAFCO reorganization application submitted January 2014                            |
| <b>Totals</b>                            | <b>376 acres, 97 residences</b>                       |                      | <b>155 EDUs</b> |  |

**CEQA**

El Dorado County, as the Lead Agency for the project, prepared and certified a Mitigated Negative Declaration (MND) for the project on June 15, 2010. The environmental impacts of the reorganization were addressed within the scope of this environmental document. The MND includes mitigation measures as necessary to lessen the potential significant effect that the project could have on the surrounding area. The County’s MND can be reviewed in its entirety as Attachment E. LAFCO staff analysis of these issues can be found within the corresponding 28 factors to be considered.

**SUMMARY OF STATUTORY AND POLICY CONSIDERATIONS**

Government Code §56668 and LAFCO Policies require that the review of a proposal shall consider the following factors:

| <b>FACTOR TO CONSIDER</b>                          | <b>POLICY / STATUTE CONSISTENCY</b> | <b>COMMENT</b>   |
|--|-------------------------------------|--|
| Need for organized services, probable future needs | 1 – Consistent                      | Water, fire protection and emergency medical services will be necessary for the proposed 8-lot residential subdivision. Annexation is a condition of approval. |

| <b>FACTOR TO CONSIDER</b>  | <b>POLICY / STATUTE CONSISTENCY</b> | <b>COMMENT</b>  |
|--|-------------------------------------|---|
| Ability to serve, level and range of service, time frames, conditions to receive service | 2 – Consistent                      | EID will require the applicant to build a new booster pump station that is sized to serve the project, as well as any adjacent properties that will also need to be served by the pump station. EDH Fire will require a Fire Safe Plan, minimum roadway widths, and fire hydrants.  |
| Timely availability of adequate water supply   | 3 – Consistent                      | An estimated 24 EDUs will be required to serve the MDE Subdivision. After accounting for contractual commitments, EID has approximately 1,977 EDUs available for purchase in the EDH Supply Area through December 31, 2014; in 2015 water meter availability will be approximately 542 EDUs.  |
| Alternatives to service, other agency boundaries, and local gov't structure              | 4 – Consistent                      | Absent the reorganization, the proposed development would require private wells for each new parcel, and they would remain outside of a local fire agency for structural fire protection. The EDH Fire Department would continue to be the first responder to calls in this area; however. the District would not have the benefit of recouping costs through property taxes. |
| Significant negative service Impacts   | 5 – Consistent                      | There are not expected to be any negative impacts to the current level of service for existing EID and EDH Fire residents.  |

| <b>FACTOR TO CONSIDER</b>  | <b>POLICY / STATUTE CONSISTENCY</b> | <b>COMMENT</b>   |
|--|-------------------------------------|--|
| Coordination of applications   | 6 – Consistent                      | The applicant is not requesting annexation into EDHCSD. MDE is one of four residential projects approved for the area. Two have been approved for annexation into EID and/or EDH Fire, the fourth has a current LAFCO application for reorganization.  |
| Present cost/adequacy of governmental services, including public facilities                      | 7 – Consistent                      | The applicant will be required to submit a Facility Plan Report to EID that addresses the expansion of facilities, including a new booster pump station to serve the MDE Subdivision and adjacent projects. No new fire service facilities would be required by EDH Fire to serve the project.   |
| Effect of proposal on cost & adequacy of service in area and adjacent areas                      | 8 – Consistent                      | Property tax revenue, development impact fees, facility connection charges and other charges will support the costs of service.  |
| Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas | 9 – Consistent                      | If the reorganization is denied by LAFCO, the applicant would need to explore the option of individual private wells to serve the subdivision. EDH Fire would still likely provide services to the area, but it would not receive property taxes, development impact fees and other direct charge revenue to offset the costs of providing these services. |
| Sufficiency of revenues, per capital assessed valuation  | 10 – Consistent                     | EID and EDH Fire should receive sufficient revenue for providing services to the proposed development.   |

| FACTOR TO CONSIDER  | POLICY / STATUTE CONSISTENCY | COMMENT  |
|---|------------------------------|--|
| Revenue producing territory   | 11 – Consistent              | Collected revenue is expected to offset the cost of providing water and fire protection services to the subject area; however, the revenue is not expected to exceed those costs.  |
| 56668.3 best interest   | 12 – Consistent              | The reorganization is in the best interests of the future residents of the Malcolm Dixon Estates Subdivision by providing essential services to the proposed residential development.  |
| Boundaries: logical, contiguous, not difficult to serve, definite and certain | 13 – Consistent              | The Malcolm Dixon Estates project site is adjacent to both the EID and EDH Fire service areas and services can be extended to the site without any foreseeable problems.   |
| Topography, natural boundaries, drainage basins, land area                    | 14 – Consistent              | There are no topographical features that will hinder service to this area.   |
| Creation of islands, corridors, irregular boundaries                          | 15 – Consistent              | The project site is contiguous with both districts' service areas and is surrounded by existing and approved residential subdivisions which are within EID and EDH Fire, or are in the process of annexing into the districts. |
| Conformance to lines of assessment, ownership                                 | 16 – Consistent              | The boundaries of the proposed reorganization conform to the existing lines of assessment and ownership of APNs 126-490-01 and 126-490-02 (formerly APN 126-100-23).   |
| Spheres of Influence  | 17 – Consistent              | The boundaries of the proposed reorganization are fully contained within both the EID and EDH Fire spheres of influence.   |

| <b>FACTOR TO CONSIDER</b>  | <b>POLICY / STATUTE CONSISTENCY</b>     | <b>COMMENT</b>   |
|--|---|--|
| Effect on adjacent areas, communities of interest  | 18 – To Be Determined by the Commission | Neighbors and residents from the surrounding area protested the Malcolm Dixon Road group of developments cumulatively during the County process, but no public comments have been received during the LAFCO process.   |
| Information or comments from landowners or owners  | 19 – Consistent                         | The landowners support the reorganization petition.  |
| Effect on other community services, schools  | 20 – Consistent                         | There are no negative impacts expected for the current public service providers in the area.   |
| Other agency comments, objections  | 21 – Consistent                         | LAFCO has not received any comments from the affected agencies or the public in response to the proposed reorganization.   |
| Fair share of regional housing needs   | 22 – Consistent                         | Reorganization and development of the Malcolm Dixon Estates Subdivision will increase the available market rate housing for the El Dorado Hills area.  |
| Land use, information relating to existing land use designations                           | 23 – Consistent                         | The reorganization and proposed development are consistent with the current zoning and land use designation. The subject territory has been rezoned RE-5 and has a land use designation of LDR.  |
| Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years | 24 – Consistent                         | Upon development, the MDE project will add 8 homes and approximately 24 new residents to the area. At full buildout, the four connecting Malcolm Dixon area projects will include 97 single-family residences, resulting in approximately 291 new residents. |



| FACTOR TO CONSIDER  | POLICY / STATUTE CONSISTENCY | COMMENT  |
|---|------------------------------|--|
| Proximity to other populated areas                                  | 25 – Consistent              | The proposed subdivision will conform to the surrounding zoning and land use designations. The MDE site is surrounded on all sides by Low Density Residential development, including the approved Alto, La Canada and Diamante Estates projects. |
| Consistency with General Plans, specific plans, zoning              | 26 – Consistent              | The proposed subdivision is consistent with the current zoning (RE-5) and land use designations (LDR) of the subject parcels and with existing and approved residential development in the surrounding area.                                     |
| Physical and economic integrity of agriculture lands and open space | 27 – Consistent              | There are no agricultural activities in or near the project area. The project site and neighboring properties are designated for low density residential development.  |
| Optional factor: regional growth goals and policies                 | 28 – Consistent              | The proposed subdivision will assist the unincorporated part of the County in achieving its RHNA goals by providing 8 units of either Moderate or Above Moderate housing.  |

**DETERMINATIONS**

The Commission should review the factors summarized above and discussed below, then make its own determinations regarding the project. Staff recommends the following determinations based on project research, state law and local policies:

1. The subject territory is “uninhabited” per Government Code §54046. Application for this reorganization is made subject to Government Code §56650 et. seq. by landowner petition.
2. The territory proposed for reorganization is within the spheres of influence of the El Dorado Irrigation District and El Dorado Hills County Water District and is contiguous to the existing boundary. The reorganization will provide a more logical and orderly boundary.

3. The Mitigated Negative Declaration prepared for this project by El Dorado County satisfies the requirements of the California Environmental Quality Act.
4. The reorganization will not result in negative impacts to the cost and adequacy of service otherwise provided in the area, and is in the best interests of the affected area and the total organization of local government agencies.
5. The reorganization will not have an adverse effect on agriculture and open space lands.
6. The reorganization will result in a decrease in water supply available for the buildout of regional housing needs determined by the Sacramento Area Council of Governments. The reorganization will not, however, have a significant foreseeable effect on the ability of the County to adequately accommodate its fair share of those needs.

### **DISCUSSION**

Government Code §56668 and LAFCO Policies require that the review of a reorganization proposal shall consider the following factors:

**(Numbered items 1-6 relate to services)**

1. ***NEED FOR ORGANIZED COMMUNITY SERVICES, PROBABLE FUTURE NEEDS:*** Applicants shall demonstrate the need and/or future need for governmental services and that the proposal is the best alternative to provide service (Policies 3.1.4(b), 6.1.7; §56668(b)).

***RESPONSE:*** The purpose of the reorganization proposal is to annex the approved Malcolm Dixon Estates development (approximately 40 acres) into EID and EDH Fire for the provision of water, fire protection and emergency medical services. MDE is a planned subdivision consisting of eight five-acre parcels with single-family homes. The reorganization will allow for the provision of essential development supporting services needed by future residences, such as water and fire protection and emergency medical services. The project was conditioned to apply to LAFCO for annexation into both EID and EDH Fire for these services.

2. ***ABILITY TO SERVE, LEVEL AND RANGE OF SERVICE, TIME FRAMES, CONDITIONS TO RECEIVE SERVICE:*** Prior to annexation the applicants and proposed service providers shall demonstrate that the annexing agency will be capable of providing adequate services which are the subject of the application and shall submit a plan for providing services (Policy 3.3, §56668(j)).

***RESPONSE:*** EID and EDH Fire have affirmed that they are currently able to provide the necessary services to the Malcolm Dixon Estates Subdivision within the time frame anticipated by the applicant.

#### Water

EID prepared *Facility Improvement Letter FIL 1109-036* (FIL) for the Malcolm Dixon Estates project on November 2, 2009. An FIL describes the existing infrastructure near the subject site, states the fire flow requirements from the local fire service provider and details the requirements for the landowner prior to receiving water

service. FIL's are now valid for a period of three years; EID staff has confirmed that the FIL for this project has expired and that the landowners will need to request a new FIL prior to applying to EID for annexation. However, since the scope of the project and EID's infrastructure in this area have not changed since the expired FIL was prepared, the water demand and infrastructure assessment should still be valid for the purposes of LAFCO's analysis. Prior to receiving service, the FIL identified the following requirements for the MDE applicants:

*The Salmon Falls Road Tank and an 18-inch water line are located near the western boundary of the property to be developed. The EDH Fire Department has determined that the minimum fire flow for this project is 1,750 GPM for a 2-hour duration while maintaining a 20-psi residual pressure. In order to provide this fire flow and receive service, it will be necessary for you to build a new booster pump station near the tank and construct a water line extension to your parcel. This booster pump station will need to provide both domestic flows and fire flow. The hydraulic grade line for the Salmon Falls Road Tank and 18-inch water line is 800 feet above mean sea level at static conditions and should be used in the FPR Analysis. Any adjacent lands that will need to be served by the pump station must be identified and included in the sizing of the station. Several surrounding parcels have proposed residential subdivisions that would require the construction of new water facilities, however at this time no projects have been initiated with the District.*

#### Fire Protection

EDH Fire reviewed the proposed Malcolm Dixon Estates project information during the tentative map approval process, and will require a Fire Safe Plan, minimum roadway widths, and two fire hydrants to ensure adequate fire protection infrastructure. In addition, several road and gate conditions were recommended during this process, which will be included in the final design of the subdivision. EDH Fire has indicated that adherence to the applicable building and fire codes, as well as the adopted conditions of approval, would satisfactorily address all fire related safety issues.

The closest fire station to the project area is Station 84, located at 2180 Francisco Drive, approximately 1.9 miles from the project site. The project has an estimated response time from Station 84 of approximately 4.5 minutes. This is well within the EDH Fire Department standard and the County General Plan standard of eight minutes response time in urban areas 90% of the time, and 20 minute response 90% of time for rural areas.

- 3. *TIMELY AVAILABILITY OF ADEQUATE WATER SUPPLY:*** The Commission shall consider the timely availability of water supplies adequate for projected needs (§56668(k)).

**RESPONSE:** According to the FIL, an estimated total of 24 Equivalent Dwelling Units (EDUs) will be required to serve the Malcolm Dixon Estates Subdivision, based on the landowner's request to utilize 1 ½ -inch meters for the residences. An EDU is the annual water requirement for a single-family residential dwelling served by a ¾ -inch water meter. Larger water meters require additional EDUs.

The project is within EID's El Dorado Hills Supply Area, which primarily receives water pumped from Folsom Reservoir, combined with water provided by gravity flow from the Gold Hill Intertie. As previously noted, the combined estimated number of EDUs to serve all four of the approved projects in the Malcolm Dixon area at build out is 155 EDUs.

EID has a surplus of available water supply in the El Dorado Hills Supply Area; however, delivery of this water is currently restricted by infrastructure, which includes the capacity of the El Dorado Hills Water Treatment Plant and other conveyance facilities. Because infrastructure, rather than supply, is the limiting factor, the infrastructure-based yield is used to determine equivalent dwelling unit (EDU) availability for the El Dorado Hills supply area. Water meter availability is the difference between the available water supply and the total potential demand for each respective area.

According to *EID's 2013 Water Resources and Service Reliability Report* adopted by the EID Board August 12, 2013, water meter availability in the EDH Supply Area is 4,687 EDU's. Contractual commitments total 2,690 EDUs, due in part to a 2010 amendment to the Wetsel-Oviatt Settlement Agreement, which releases three-fourths of this contractual commitment (1,455 EDUs) through December 31, 2014. After the term of the amendment, the Wetsel-Oviatt contractual commitments will return to 1,940 EDUs. Therefore, after accounting for contractual commitments, EID has approximately 1,977 EDUs available for purchase in the EDH Supply Area through December 31, 2014; in 2015 water meter availability will be approximately 542 EDUs. EID's policy is to sell meters on a first-come first-serve basis.

Contractual commitments are legal obligations of EID to reserve water supply or provide water service to designated parties, entered into by the adoption of an EID Board resolution, the formation of an assessment district, or the signing of a contract.

*\*\* The Average EDU Demand for single-family residential dwellings in the El Dorado Hills Supply Area is 0.77, calculated from 10-year historical data. To convert acre-feet to EDUs, 0.77 acre-feet of use is assumed per EDU.  $AF / 0.77 = EDUs$*

4. **ALTERNATIVES TO SERVICE, OTHER AGENCY BOUNDARIES, AND LOCAL GOVERNMENT STRUCTURE:** The Commission shall consider alternatives to the proposal, proximity of other agency boundaries and alternative courses of action. Where another agency objects to the proposal, LAFCO will determine the best alternative for service (Policies 3.3.2.2(g), 6.1.3).

**RESPONSE:** EID is the only public water service provider in this area; there are no other public alternatives for the provision of water service to the Malcolm Dixon Estates Subdivision. Absent annexation into EID, the only other reasonable option for water would be use of private wells for each of the eight, five-acre lots.

EDH Fire is the logical fire protection district to serve the subdivision, as the project area is within the EDH Fire District sphere of influence island, surrounded by District boundaries. Absent annexation into EDH Fire, the proposed development would remain outside of a local fire agency for structural fire protection. The EDH Fire

Department would continue to be the first responder to calls in this area; however, the District would not have the benefit of recouping costs through property taxes.

5. **SIGNIFICANT NEGATIVE SERVICE IMPACTS:** Services provided to the territory will not result in a significant negative impact on the cost and adequacy of services otherwise provided (Policy 6.2.4, §56668.3(b)).

**RESPONSE:** The service impacts to other EID customers are expected to be minor. Before each FIL is generated, EID staff conducts an analysis of the infrastructure capacity and compares it to the total expected demand from existing and projected customer use. This is done to ensure that neighboring EID customers will not have any negative impacts to their current level of service. EID regulations provide safeguards to ensure that new development does not result in the over-allocation of water. The developer is responsible for construction and financing of all water transmission lines and distribution facilities to receive EID service.

The service impacts to other EDH Fire residents are expected to be minor. Development impact fees and a share of the future property tax increment will offset the impacts of the future residents of EDH Fire. The increase in population due to the proposal, estimated at 24 persons, will have a negligible effect on EDH Fire's current service ratio. No negative fiscal, service or other impacts have been identified by EDH Fire; the District has indicated that services can be extended to the area without creating service deficiencies for their existing customers.

6. **COORDINATION OF APPLICATIONS:** If a project site can be anticipated to require additional changes of organization in order to provide complete services, the proposal shall be processed as a reorganization (Policy 3.1.10). Where related changes of organization are expected on adjacent properties, petitioners are encouraged to combine applications and LAFCO may modify boundaries, including the addition of adjacent parcels to encourage orderly boundaries (Policy 3.1.9).

**RESPONSE:**

Additional EID Services

Wastewater service through EID is not a part of this proposal; the project will utilize private septic systems. Each individual property will be required to have an on-site sewage disposal system that meets the requirements of the Environmental Health Division of the El Dorado County Environmental Management Department. All lots underwent percolation tests and were found to have adequate leaching capacity to support the proposed individual on-site sewage disposal systems. The El Dorado County Environmental Health Division has reviewed and approved the proposed sewage disposal areas.

Park and Recreation Services

The subject parcel is approximately one-half mile east of the El Dorado Hills Community Services District (EDHCSD) boundaries, but it is not within the District's sphere of influence. The parcels are currently within El Dorado County's Service Area 9, Zone 17 – Ponderosa Recreation Zone for park and recreation services, which is not requested to change as a part of this proposal. LAFCO staff

questioned the project applicant about intentions to annex into the CSD; the applicant affirmed that only annexation to EID and EDH Fire was requested.

As an affected agency, EDHCSD was notified of the application and requested to provide comments to LAFCO; however, LAFCO did not receive a response from the CSD regarding the project. In accordance with the landowner request and lack of response from EDHCSD, LAFCO staff is only recommending annexation into EID at this time. However, the Commission has the authority and the discretion to amend the proposal to include annexation to the CSD if it sees fit.

#### Road Maintenance and Drainage

A Homeowner's Association (HOA) is proposed to be formed upon completion of the development to address the road maintenance and drainage needs of the subdivision prior to filing the final map. The HOA will also be responsible for enforcement of conditions, covenants and restrictions (CC&Rs) placed on the newly created parcels, if applicable. No CC&Rs exist or are attached to the subject property at this time.

#### Adjacent Properties

As previously explained, the Malcolm Dixon Estates property is part of a larger 376-acre area that consists of four separate residential projects. Each of these projects has been conditionally approved by the County, requiring annexation into EID, and EDH Fire where necessary. LAFCO has since approved the Alto and La Canada annexations; Diamante Estates currently has an active application with LAFCO. There are no additional properties that appear to require services from EID or EDH Fire at this time.

### **(Numbered items 7-12 relate to cost and revenues)**

- 7. PRESENT COST/ADEQUACY OF GOVERNMENTAL SERVICES, INCLUDING PUBLIC FACILITIES:** The Commission shall consider existing government services and facilities, cost and adequacy of such services and facilities (§56668(b), Policy 3.3). If service capacity and/or infrastructure will be expanded, the applicant will submit cost and financing plans (Policy 3.3.2.2).

**RESPONSE:** According to EID's 2013 *Water Resources and Service Reliability Report*, EID's EDH Supply Area will have sufficient EDUs available for purchase by the Malcolm Dixon Estates Subdivision (see #3 for a more detailed analysis of the water meter availability in this region). The applicant will be required to submit a Facility Plan Report to EID that addresses the expansion of facilities, including the new booster pump station to serve the Malcolm Dixon Estates Subdivision and adjacent projects. EID does not appear to have any current service deficiencies that indicate annexation of the MDE project would result in any negative cost or service impacts to present customers.

No new fire service facilities would be required by EDH Fire to serve the Malcolm Dixon Estates Subdivision. Response times to the area are lower than District and County standards and the addition of 24 residents will have a very minor impact on staffing ratios.

8. **EFFECT OF PROPOSAL ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider existing and proposed government services and facilities, the cost and adequacy of such services and facilities and probable effect of the proposal on the area and adjacent areas (§56668(b) and Policy 3.3). LAFCO will discourage projects that shift the cost of service and/or service benefits to others or other service areas (Policy 6.1.8).

**RESPONSE:** EID and EDH Fire have negotiated and approved their respective property tax increment agreements with the County for the reorganization territory (see Section 10 below for more information). In addition to tax revenue, development impact fees, facility connection charges, user charges and other charges will support the cost of services. The reorganization is expected to provide revenue that will offset the short- and long-term costs to the Districts.

9. **EFFECT OF ALTERNATIVE COURSES OF ACTION ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider the cost and adequacy of alternative services and facilities (§56668).

**RESPONSE:** The proposed reorganization is the most logical alternative to provide necessary water, fire hydrant, fire protection and emergency response services to the Malcolm Dixon Estates Subdivision. At this time, there are no other municipal water service providers in this area. The applicant has not requested wastewater service through EID. Each lot will be required to have an on-site sewage disposal system that meets the requirements of the El Dorado County Environmental Health Division. If the reorganization is denied by LAFCO, the applicant would need to explore the option of individual private wells to serve the subdivision.

EDH Fire has the necessary capacity and resources to adequately provide for the fire and emergency response needs of this subdivision and has a station close enough to have acceptable response times to the site, thereby providing adequate services to the future Malcolm Dixon Estates residents. If the reorganization is denied by LAFCO, EDH Fire will still likely provide services to the Malcolm Dixon Estates project area; the District will continue to be called to respond to incidents within the area, since it is the closest available resource for structural fires. However, EDH Fire would not receive property taxes, development impact fees and other direct charge revenue to offset the costs of providing these services.

10. **SUFFICIENCY OF REVENUES, PER CAPITA ASSESSED VALUATION:** 56668(j)

**RESPONSE:** At the time of reorganization initiation, the assessed value of the Malcolm Dixon Estates territory (APN 126-100-23) was \$2,244,000. The Assessor's Report was generated prior to the parcel split that occurred as a result of recording the final map for Phase 1, creating APNs 126-490-01 and 126-490-02. According to public information available on the County Assessor's website, the current combined assessed value of the two parcels is \$2,369,548. A significant increase in the assessed value is expected to occur as a result of the subdivision of the Malcolm Dixon Estates property and subsequent construction of residences.

The reorganization is expected to provide sufficient revenue to the Districts to cover the short- and long-term costs of the new residents' use of existing District facilities.

The County, EID and EDH Fire have negotiated a property tax revenue sharing agreement, based upon the Chief Administrative Officer's proposal (Attachment C), with EID receiving 2.6667% of the property tax revenue for the reorganization area and EDH Fire receiving 17.0%. Based upon the property tax agreement, District connection fees, development impact fees and the applicant's responsibility for covering the cost of extending necessary infrastructure, the Districts should receive sufficient revenue for providing service the proposed subdivision.

11. **REVENUE PRODUCING TERRITORY:** The proposed annexation shall not represent an attempt to annex only revenue-producing territory (Policy 6.1.1).

**RESPONSE:** The Malcolm Dixon Estates Subdivision will consist of eight single family homes upon subdivision. The total assessed value of the subject area is expected to increase as a result of the reorganization, subdivision and development. Revenue will be collected by the annexing agencies, through user charges, development impact fees, property taxes and connection fees, which are projected to be consistent with services provided, long-term agency operations and infrastructure costs. Collected revenue will offset the cost of providing water and fire protection services to the subdivision, but is not expected to exceed those costs.

12. **BEST INTEREST:** The Commission shall consider whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district (§56668.3).

**RESPONSE:** The reorganization appears to be consistent with LAFCO EID and EDH Fire policies and is in the best interests of the future residents of the Malcolm Dixon Estates Subdivision by providing essential services to the proposed residential development. The reorganization is supported by the current landowners and both annexing agencies.

**(Numbered items 13-17 relate to boundaries)**

13. **BOUNDARIES: LOGICAL, CONTIGUOUS, NOT DIFFICULT TO SERVE, DEFINITE AND CERTAIN:** The proposed boundary shall be a logical and reasonable expansion and shall not produce areas that are difficult to serve (§56001). Lands to be annexed shall be contiguous (Policy 3.9.3, §56741-cities) and should not create irregular boundaries, islands, peninsulas or flags (Policy 3.9.4). The boundaries of the annexation shall be definite and certain and conform to existing lines of assessment and ownership (Policy 3.9.2, §56668(f)).

**RESPONSE:** The Malcolm Dixon Estates project site is adjacent to EID's service boundary to the north, through the Alto subdivision. The La Canada subdivision to the northwest of MDE was approved for annexation in April 2001 and is pending completion of final requirements; Diamante Estates to the immediate west has an active application with LAFCO for reorganization into EID and EDH Fire. Water lines are nearby and can be extended to the subject area without any foreseeable problems.



The Malcolm Dixon Estates parcels are part of a small island within the EDH Fire service area. The project site is contiguous with EDH Fire boundaries on two sides; the remaining two sides are bounded by the proposed Diamante Estates subdivision, which is currently going through the LAFCO process for reorganization. EDH Fire supports the reorganization and has indicated that services can easily be extended to the project area.

- 14. TOPOGRAPHY, NATURAL BOUNDARIES, DRAINAGE BASINS, LAND AREA:** Natural boundary lines which may be irregular may be appropriate (Policy 3.9.6). The resulting boundary shall not produce areas that are difficult to serve (Policy 3.9.7).

**RESPONSE:** The site is situated at an elevation range of approximately 800 to 900 feet on terrain that moderately slopes downward in a southwesterly direction. Oak savannah vegetation and two riparian streams exist on the site. There are no topographical features that will hinder service to this area.

According to flood zone information presented based on data derived from the FEMA Flood Information Rate Maps, the Malcolm Dixon Estates project site is within Flood Zone X (Un-Shaded), which is the flood insurance rate zone used for areas outside the 0.2-percent-annual-chance floodplain. Flood insurance purchase is not required in this zone.

- 15. CREATION OF IRREGULAR BOUNDARIES:** Islands, peninsulas, "flags", "cherry stems", or pin point contiguity shall be strongly discouraged. The resulting boundary shall not produce areas that are difficult to serve. The Commission shall determine contiguity (Policies 3.9.3, 3.9.4, 3.9.7).

**RESPONSE:** As noted in Section 13, the project site is contiguous with both districts' service areas and is surrounded by existing and approved residential subdivisions which are within EID and EDH Fire, or are in the process of annexing into the districts. Approval of the reorganization request will not create an irregular boundary for either district.

- 16. CONFORMANCE TO LINES OF ASSESSMENT, OWNERSHIP:** The Commission shall modify, condition or disapprove boundaries that are not definite and certain or do not conform to lines of assessment or ownership (Policy 3.9.2).

**RESPONSE:** The boundaries of the proposed reorganization conform to the existing lines of assessment and ownership of APNs 126-490-01 and 126-490-02 (formerly APN 126-100-23). The proposal maps have been reviewed by the County Surveyor and have been found to be definite and certain.

- 17. SPHERES OF INFLUENCE:** Commission determinations shall be consistent with the spheres of influence of affected local agencies (Policy 3.9.1).

**RESPONSE:** The boundaries of the proposed reorganization are fully contained within both the EID and EDH Fire spheres of influence.

**(Numbered items 18-21 relate to potential effect on others and comments)**

- 18. EFFECT ON ADJACENT AREAS, COMMUNITIES OF INTEREST:** The Commission shall consider the effect of the proposal and alternative actions on adjacent areas, mutual social and economic interests and on the local governmental structure of the county (§56668(c)).

**RESPONSE:** The proposed reorganization does not break any Community of Interest. The project site is located to the east of the El Dorado Hills Community Region, which extends west to Salmon Falls Road. Malcolm Dixon Estates is surrounded by a mix of existing (Arroyo Vista) and approved (Alto, La Canada, Diamante) developments. The proposed reorganization will primarily benefit only the future residents of Malcolm Dixon Estates subdivision.

Throughout the County approval process, neighbors and residents from the surrounding area protested the Malcolm Dixon area projects cumulatively for being inconsistent with the rural nature of the area and increased traffic flow on Malcolm Dixon Road. However, throughout the LAFCO process staff has not received any comments from the public regarding Malcolm Dixon Estates since the project was initiated.

- 19. INFORMATION OR COMMENTS FROM THE LANDOWNER OR OWNERS:** The Commission shall consider any information or comments from the landowner or owners.

**RESPONSE:** The landowners support the reorganization petition and have not indicated that any additional comments or information need to be given consideration beyond the customary application materials.

- 20. EFFECT ON OTHER COMMUNITY SERVICES, SCHOOLS:** LAFCO's review of services refers to governmental services whether or not those services are provided by local agencies subject to the Cortese-Knox-Hertzberg Act, and includes public facilities necessary to provide those services.

**RESPONSE:** There are no negative impacts expected for the public service providers in the area. The following identifies the current public service providers and the expected impacts:

Police Protection: The El Dorado County Sheriff's Department would continue to provide police services for the Malcolm Dixon Estates project area. Response times to the area would depend on the location of the nearest unit at the time of dispatch.

Park and Recreation Services: The subject parcels are currently within El Dorado County's Service Area 9, Zone 17 – Ponderosa Recreation Zone for park and recreation services, which is not requested to change as a part of this proposal. The El Dorado County Parks and Recreation Department is responsible for providing recreation areas and parks within the unincorporated areas not in Community Service Districts. CSA 9-Zone 17 does not collect a portion of the

property taxes, but rather is a funding mechanism to collect Quimby parkland dedication in lieu fees at the time of final map filing.

The landowner is not requesting annexation into the El Dorado Hills CSD. El Dorado Hills CSD operates several recreational facilities in the vicinity that can be potentially used by the future residents of the project. As non-residents, the future Malcolm Dixon Estates homeowners will be paying higher admission fees for use of EDHCSO facilities to offset the cost for providing services to residents living outside the district.

Schools: The project site is located within the Rescue Union School District, the El Dorado Union High School District and the Los Rios Community College District. The students would most likely attend the following schools in El Dorado Hills: Jackson Elementary at 2561 Francisco Drive, Marina Village Middle School at 1901 Francisco Drive, and Oak Ridge High School at 1120 Harvard Way. The affected school districts will collect development impact fees from the construction of each residence to help offset the costs of providing new facilities for the additional students.

- 21. OTHER AGENCY COMMENTS, OBJECTIONS:** All affected and interested agencies are provided application related material and notified of the proposal and proposed property tax redistribution plan. Comments have been requested and shall be considered (Policy 3.1.4 (I), §56668(i)).

For district annexations and city detachments only, the Commission shall also consider any resolution objecting to the action filed by an affected agency (§56668.3(4)). The Commission must give great weight to any resolution objecting to the action which is filed by a city or a district. The Commission's consideration shall be based only on financial or service related concerns expressed in the protest (§56668.3(5b)).

**RESPONSE:** The following agencies were provided an opportunity to comment on this proposal:

- El Dorado Irrigation District
- El Dorado Hills County Water District
- El Dorado County Chief Administrative Office
- El Dorado County Representing CSAs 7, 9, 9 Zone 17, 10, and 10 Zone E
- El Dorado County Assessor's Office
- El Dorado County Auditor's Office
- El Dorado County Planning Department
- El Dorado County Surveyor's Office
- El Dorado County Elections Department
- El Dorado County Emergency Services Authority
- El Dorado Hills Community Services District
- El Dorado County Water Agency
- El Dorado County Resource Conservation District
- El Dorado County Department of Agriculture
- El Dorado County Office of Education
- Rescue Union School District
- El Dorado Union High School District

- Los Rios Community College District
- El Dorado County Sheriff’s Department
- Farm Bureau
- U.S. Bureau of Reclamation

As part of the standard notification process, LAFCO sent a project notice requesting agency comments to all affected agencies in April 2013 and a project hearing notice in February 2014. LAFCO has not received any comments from the above affected agencies or the public in response to the proposed reorganization.

The El Dorado Hills CSD submitted comments to the Board of Supervisors back in 2008 requesting the annexation into the CSD, but the CSD has not submitted any comments to LAFCO since the annexation was initiated in 2013.

**(Numbered items 22-26 relate to land use, population and planning)**

**22. FAIR SHARE OF REGIONAL HOUSING NEEDS:** The Commission shall review the extent to which the proposal will assist the receiving entity in achieving its fair share of regional housing needs as determined by Sacramento Area Council of Governments (SACOG) (§56668(l)).

**RESPONSE:** In February of 2008, the Sacramento Area Council of Governments (SACOG) Board of Directors adopted their 2006-2013 Regional Housing Needs Plan (RHNP), which allocates to SACOG cities and counties their "fair share" of the region's projected housing needs. Each city and county in the RHNP receives a Regional Housing Needs Allocation (RHNA) of total number of housing units that it must plan for within a 7.5 year time period through their General Plan Housing Elements. Allocations are distributed within four economic income categories; very low, low, moderate and above moderate. Allocation goals for the unincorporated portion of El Dorado County, are as follows:

**MHI = Median Household Income**

| <b>2006-2013 Total RHNA Allocation</b> |                                |                             |                                   |                                       |
|--|--------------------------------|-----------------------------|-----------------------------------|---------------------------------------|
| <b>Total Units</b>                     | <b>Very Low</b><br><50% of MHI | <b>Low</b><br>50-80% of MHI | <b>Moderate</b><br>80-120% of MHI | <b>Above Moderate</b><br>120+% of MHI |
| 15,993 (100%)                          | 4,818 (30.1%)                  | 3,456 (21.6%)               | 3,002 (18.8%)                     | 4,717 (29.5%)                         |

This project assists the County with meeting the goals for moderate to high income levels.

**23. LAND USE, INFORMATION RELATING TO EXISTING LAND USE DESIGNATIONS:** The Commission shall consider any information relating to existing land use designations (§56668(m)).

**RESPONSE:** In June of 2010, the Board of Supervisors approved a request to change zoning of the Malcolm Dixon Estates Subdivision site from Exclusive Agricultural (AE) to Estate Residential Five-Acre (RE-5). The land use designation

is Low Density Residential (LDR). The reorganization and proposed development are consistent with the current zoning and land use designation.

- 24. POPULATION, DENSITY, GROWTH, LIKELIHOOD OF GROWTH IN AND IN ADJACENT AREAS OVER 10 YEARS:** The Commission will consider information related to current population, projected growth and number of registered voters and inhabitants in the proposal area.

**RESPONSE:** There are currently no registered voters residing in the proposal area and the subject territory is currently considered uninhabited per Government Code 56046, which states, “*Inhabited territory*” means territory within which there reside 12 or more registered voters...All other territory shall be deemed “*uninhabited.*” Upon completion of the Malcolm Dixon Estates Subdivision development, there will be eight residential units, resulting in approximately 24 new residents (accounting for an average of three persons per home).

LAFCO’s 2010 approval of the Alto Reorganization and 2011 approval of the La Canada Annexation partially opened the door for approval of the other Malcolm Dixon area projects as well. Approval of the Malcolm Dixon Estates reorganization will contribute to a growth-inducing impact on the immediate area due to the adjacent residential developments that will also require annexation into EID and in some cases, EDH Fire. At full buildout, the four connecting Malcolm Dixon area projects will include 97 single-family residences, resulting in approximately 291 new residents, including those of the Malcolm Dixon Estates project.

- 25. PROXIMITY TO OTHER POPULATED AREAS:** The Commission shall consider population and the proximity of other populated areas, growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years (Policy 3.1.4 (a)).

**RESPONSE:** The Malcolm Dixon Estates site is surrounded by existing and approved residential development: the developed 66-lot Arroyo Vista subdivision is to the east; the undeveloped but approved 23-lot Alto subdivision, 47-lot La Canada subdivision and 19-lot Diamante Estates subdivision border MDE on the remaining sides. All adjacent properties are designated Low Density Residential. The proposed subdivision will conform to the surrounding zoning and land use designations (refer to Section 26 for additional information).

- 26. CONSISTENCY WITH GENERAL PLANS, SPECIFIC PLANS, ZONING:** The Commission shall consider the general plans of neighboring governmental entities (Policy 3.1.4(g)).

**RESPONSE:** The proposed subdivision is consistent with the zoning and land use designations of the subject parcels and surrounding existing and approved residential development.

| Surrounding Area   | Zoning  | Land Use Designation | Current Land Use   | Planned Land Use                                      |
|--|---------|----------------------|--|---|
| Project Site:<br>APNs 126-490-01 and -02 (formerly APN 126-100-23) | RE-5    | LDR                  | One existing single family residence: approved for development | Residential: Malcolm Dixon Estates, 8 lots (5-acre)   |
| North:   | RE-5/PD | LDR                  | Residential, vacant: approved for development                  | Residential: Alto, 23 lots (2 to 3-acre)              |
| East:  | RE-5    | LDR                  | Residential: Arroyo Vista, 66 lots (5-acre)                    | No changes  |
| South/West:  | RE-5    | LDR                  | Residential, vacant: approved for development                  | Residential: Diamante Estates, 19 lots (5 to 10-acre) |
| Northwest:   | RE-5/PD | LDR                  | Residential, vacant: approved for development                  | Residential: La Canada, 47 lots (1 to 4-acre)         |

**27. PHYSICAL AND ECONOMIC INTEGRITY OF AGRICULTURE LANDS AND OPEN SPACE LANDS:** LAFCO decisions will reflect it's legislative responsibility to maximize the retention of prime agricultural land while facilitating the logical and orderly expansion of urban areas (Policy 3.1.4(e), §56016, 56064).

**RESPONSE:** There are not currently any agricultural activities in or near the project area, nor is it within an Agricultural District. The project site and neighboring properties are designated for low-density residential development. The El Dorado County Resource Conservation District and Agricultural Department have reviewed the project and did not identify important agricultural preserves or districts within the project area.

**28. OPTIONAL FACTOR: REGIONAL GROWTH GOALS AND POLICIES:** The Commission may, but is not required to, consider regional growth goals on a regional or sub-regional basis (§56668.5).

**RESPONSE:** The reorganization and development of the Malcolm Dixon Estates Subdivision will contribute to the County in meeting its Regional Housing Needs Assessment goals for moderate to high income levels. The proposal will increase available market rate housing for the northern El Dorado Hills area, and will contribute to a decrease in the total available land for lower income housing categories. The County, however, may be able to meet these lower income regional housing needs allocations elsewhere. See Section 22 for more detail regarding SACOG's RHNA goals.

**ATTACHMENTS**

Attachment A: Project Map

Attachment B: Landowner Application & Project Information

Attachment C: BOS AB-8 Resolution

Attachment D: Malcolm Dixon Road Area Project Map

Attachment E: El Dorado County Mitigated Negative Declaration for the Malcolm Dixon Estates Subdivision

Attachment F: LAFCO Draft Resolution L-2014-03