

El Dorado Hills Cityhood – “Bring Our Future Home”

By Steve Ferry

A question I hear often is, “Why should El Dorado Hills (EDH) become a City?”. In this white paper, I will provide you with the information you’ll need to make your decision when this issue is on the ballot in 2024. El Dorado County (EDC) has five supervisorial districts. Most of EDH, north of US 50, comprises District One, while a smaller section south of US 50 comprises a small part of District Two.

Housing

Housing is regulated by the Sacramento Area Council of Governments (SACOG) <https://www.sacog.org>. SACOG is comprised of 28 cities and counties in the Sacramento area. Each of these jurisdictions has a vote on housing distribution in the SACOG areas. An unincorporated area such as EDH is represented by EDC and the five members of its Board of Supervisors. EDC decides how much of the SACOG’s Regional Housing Needs Assessment (RHNA) units will be built different parts of the unincorporated areas of the county. SACOG has allocated 4,994 units to the West Slope (the area from the Sacramento County line to Echo Summit, it does not include the City of South Lake Tahoe) and EDC has allocated 4,073 units to EDH.

SACOG staff determined the vast majority of Metropolitan Transportation Plan/Sustainable Communities Strategy growth anticipated for EDC between 2016 and 2035 is located in the EDH geographic area as depicted in the chart below. (MFI = median family income in EDC)

Income Category	Potential RHNA El Dorado Hills	Percentage Allocation
Very Low <50% MFI	1,140	28.0%
Lower 50%-80% MFI	623	15.3%
Moderate 80%-120% MFI	717	17.6%
Above Moderate >120% MFI	1,593	39.1%
Total	4.073	100%

The RHNA allocation for the West Slope could potentially be revised if EDH becomes a city. Please note that there are only two cities in EDC – the City of South Lake Tahoe (population 21,414), and the City of Placerville (population 10,869). These two cities have rights that the citizens of EDH (population 50,547) don’t have.

The Specific Plan

When large properties are being developed, a specific plan is generated by the developer. This plan will have a plat map of the area, which specifies how many homes are to be built on that land, and

how much open space will be provided by the developer. There are six specific plans in EDC and all of them are in EDH. There are no plans to build substantial housing in any other part of EDC. This does not mean that no other housing is built, it just means that the housing built east of EDH is in small communities such as the Meder Road development. So, when we look at the SACOG housing numbers (see chart above) we understand that EDC developers have no intention of building any large communities outside of EDH. Being unincorporated has some serious problems, not being a city is the primary one.

Schools

Now let's talk about the high schools in EDC. The five EDC high schools and their estimated enrollments are Oak Ridge (ORHS-2,600), Ponderosa (PHS-1,600), Union Mine (UMHS-900), El Dorado (EDHS-1,300), and Charter University Preparatory (CUP-207). As you can see, ORHS has 2,600 students on a campus built to accommodate 1,600. Parking alone is in crisis. Then we have UMHS, built in 1999 with a 900-student population and no parking problems. Note the school has a full contingent of administrators and teachers. Who thinks this makes sense?

Given the fact that UMHS is such a low enrollment school, why did the El Dorado Union High School District (EDUHSD) Board of Directors approve it? Were our high schools over enrolled in 1999? Actually not! The only answer that I can come up with is that the area, Diamond Springs/El Dorado, was determined to be the next high development area in EDC. The only way to get to 1,600 students would be to build enough housing to increase the numbers of students and that would be somewhere between 2,000-4,000 units of family housing. That has obviously not happened. Therefore, how does the high school district accomplish full enrollment at UMHS? They watch the building going on in EDH and then bus the students to UMHS. Not a good deal for EDH. If we were a city perhaps we could create our own school district – see <https://spesia-taylor.com/dissatisfied-with-your-school-district-boundary-a-boundary-change-is-possible>.

What we know for sure is that EDH is not a legal entity. EDH has very poor prospects for change unless we achieve legal status. Becoming a city would likely give EDH that legal status.

So far, we have established that EDC has forced a great deal of their housing inventory into EDH, and at the same time furnished UMHS with bused students from EDH, mostly from the Blackstone community. The RHNA numbers are just stunning and should be appealed.

Revenue

Now let's talk about the revenue that comes from EDH, and is quickly deposited into the county coffers. The EDC General Fund receives about \$300 million combined from all five districts and another \$300 million of Federal and State funds is deposited into Health and Human Services. The total is \$600 million to run EDC. EDC is divided into five districts, with each district having an equal number of residents. Also, each district should contribute equal revenue under the general fund. However, we know that the Chief Administrative Officer of EDC told the EDH Chamber of Commerce a couple of years ago that District One pays 28% into the EDC General Fund.

Now let's look at the funding from the part of EDH south of Highway 50 which we know as Blackstone, Four Seasons, Heritage, and the EDH Business Park. We can only guess what part of the

EDC budget these four entities pay but an estimate is 10%-12%. Therefore, EDH is likely paying 40% of the EDC budget! That would be **\$120 million!!** Between the housing inequality and the budget gouging, we would certainly expect our citizens to rise up and demand the services, parks, roads, and other benefits that would accrue to the City of El Dorado Hills, but not to the unincorporated El Dorado Hills. [Preliminary Comprehensive Fiscal Analysis](#)

Two Arguments Against Cityhood

The arguments against cityhood are specific to two issues:

- It will create an additional level of government.
- It will raise our taxes.

No Additional Level of Government

This is the duplication of services or the “it’s an additional level of government” argument that is spoken about by the *No on Cityhood* proponents. What exactly does that mean? The level of government that now prevails includes departments such as Planning, Housing, Code Compliance, and Policing, which will all be transferred to the City of El Dorado Hills and EDC will no longer provide those services. In other words, there is no “additional level of government”. EDC will still provide county services just like every other county in the state – Assessor, Tax Collector, Public Defender, Recorder/Clerk, and District Attorney, to name a few. Those positions will continue to be paid for by EDC. Can we now agree that there will be NO EXTRA LEVEL of government, but just a transfer of authority over our governance? For those who still believe that additional levels of government will be created by cityhood, please tell us what you believe those levels may be.

No Tax Increases

The Second argument is that cityhood will raise our taxes. So, let’s take a look at our taxes.

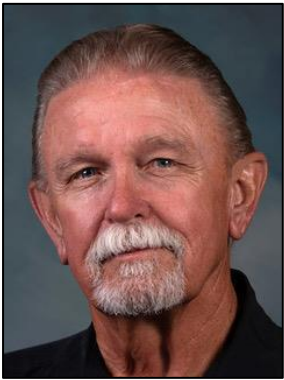
1. We pay Prop 13 property taxes that are levied at 1% of the price paid for a new property and that will increase by 2% per year as long as you own your property. That tax can only be raised by a vote of the people of the entire state of California.
2. We pay Sales Tax of 7.25% and the first 6% of that goes directly to the state. EDC keeps the remaining 1.25%, unless EDH becomes a city. The people of the county can now raise the sales tax, or the people of the City of El Dorado Hills could raise it.
3. The last tax is the Transit Occupancy Tax (TOT) that is paid by folks passing through EDC but staying in our local hotels and motels. That tax is presently 10% and EDC has Measure “R” on the November 2022 ballot to raise the TOT by 2% with a promise to use the funds for road repairs. Excise Taxes, Gas Taxes, and all the other taxes are state or federal taxes that the residents of the City of El Dorado Hills cannot change.

Conclusion

So, how do we deal with the folks who say that cityhood will create new levels of government and/or raise taxes?

- Ask them what departments will be duplicated. There will be NO NEW LEVELS of GOVERNMENT or duplication of services when we decide on cityhood.
- Ask them to describe how raising taxes will happen. There will be NO INCREASE in TAXES when we decide in favor of cityhood.

Thank you for reading this white paper and my hope is that when we say “Bringing our Future Home”, you are ready to vote Yes on Cityhood and then we will all be able to say, “I live in the **City of El Dorado Hills**.”



STEVE FERRY is a candidate for the El Dorado Hills Community Services District Board of Directors in 2022. His resume includes the following:

- City of San Jose Housing Task Force
- City of San Jose Water Task Force
- Almaden Valley Kiwanis, Founder
- EDC Housing Task Force
- EDC Targeted General Plan Amendment and Zoning Ordinance Update
- EDC Proposition 90 Chairman
- EDH Tea Party Patriots President
- Soccer Coach
- Little League Coach
- Songwriter
- Businessperson

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