

Meeting Date: 3/31/2015

Report Type: Public Hearing

Report ID: 2015-00287

Title: Proposed Development Program for the Natomas Basin under A99 Flood Zone Designation (Noticed 03/19/2015; Passed for Publication 03/24/2015; Published 03/27/2015)

Location: Natomas Basin, Districts 1, 3, and 4

Recommendation: Conduct a public hearing, and upon conclusion pass an Ordinance amending Chapter 15.104 of the Sacramento City Code relating to floodplain management regulations.

Contact: Scot Mende, Principal Planner, (916) 808-4756; Ryan DeVore, Interim Community Development Director, (916) 808-8860, Community Development Department

Presenter: Scot Mende, Principal Planner, (916) 808-4756; Ryan DeVore, Interim Director, (916) 808-8860, Community Development Department

Department: Community Development Dept / Dept. of Utilities

Division: Planning

Dept ID: 21001221

Attachments:

- 1-Description/Analysis
- 2-Background Hearing
- 3-Map (Natomas Vacant Sites)
- 4-Ordinance

City Attorney Review

Approved as to Form
Jeffrey Heeren
3/26/2015 9:31:01 AM

Approvals/Acknowledgements

Department Director or Designee: Ryan Devore - 3/25/2015 12:43:21 PM

Description/Analysis

Issue Statement: The proposed ordinance provides for non-residential development and a limited resumption of residential development to proceed upon designation of the Natomas Basin as Flood Zone A99.

Issue Detail: Since December 8, 2008, when its levees were deemed vulnerable to seepage, Natomas has been under a *de facto* building moratorium with a flood designation of “AE.” In mid-June 2015, the City anticipates Federal Emergency Management Agency (FEMA) re-designation of the Natomas Basin from AE to A99, which allows the resumption of development. The proposed ordinance takes a responsible approach to this development by limiting the number of new residential permits per year until the Natomas Levee Improvement Project (NLIP) is complete. While the federal government *authorized* the levee improvement project, Congress must also pass annual *appropriations* totaling approximately \$600 million to finish the improvements that are needed to achieve 100-year (and ultimately 200-year) flood protection. These improvements will help protect the lives of over 100,000 residents and \$7 billion in property. The construction project is estimated to take at least 5-7 years to complete.

The proposed ordinance would limit residential growth by calendar year:

- Building permits for up to 1500 residential dwelling units per calendar year
 - 1000 single family units per year; single family dwelling unit building types
 - 500 multiple family units per year
- Rollover unit count from unused allowance in calendar year 2015, to be added to the allowed number for the 2016 calendar year
- Projects that meet certain findings may exceed the cap established by this ordinance subject to City Council approval

Progress on the levee improvements will be monitored along with the number and type of permits issued. Staff will seek City Council direction prior to January 2017 concerning continuation or adjustment of the policy, as deemed appropriate.

Policy Considerations: The General Plan Goal EC 2.1 states: “Flood Protection: Protect life and property from flooding.” Policy EC 2.1.4 states: “200-year Flood Protection: The City shall work with local, regional, state, and federal agencies to achieve at least 200-year flood protection for all areas of the City by 2025. Policy EC 2.1.5 states: Funding for 200-year Flood Protection. The City shall continue to cooperate with local, regional, State, and Federal agencies in securing funding to obtain the maximum level of flood protection that is practical, with a minimum goal of achieving at least 200-year flood protection as quickly as possible.

Economic Impacts: Many development projects within the Natomas Basin received approval of land use entitlements and/or building permits, but could not proceed with construction after the flood zone was changed by FEMA, resulting in the requirement to elevate structures up to 20 feet above grade. The previous efforts on land use entitlement process and real estate transactions represent a substantial investment of money. The proposed ordinance would stimulate new investments by allowing projects to move forward.

Committee/Commission Action: The ordinance was published on March 19th and was on the March 24th for the City Council consent calendar as a Pass for Publication action. The item will be presented to the Planning & Design Commission for information after City Council acts.

Environmental Considerations:

California Environmental Quality Act (CEQA): The ordinance provides an organized process for dealing with the anticipated applications. The proposed ordinance would limit development that could otherwise occur by right. Adoption of this ordinance qualifies for the exemption under CEQA Guidelines section 15061(b)(3), which provides that CEQA does not apply to actions where it can be seen with certainty that no significant effects on the environment would occur.

Sustainability Considerations: The City recognizes that the quality of life in Sacramento is dependent on both creating and preserving attractive buildings, streets, and public spaces that facilitate and enrich the life of the community, and on creating a compatible and complementary mix of residential, employment, commercial, and service uses that can sustain a vibrant economy, a healthy environment, and a vital social life. The orderly completion of North Natomas development can provide for a complete community – consistent with the Sustainable Communities Strategy.

Rationale for Recommendation: Until the Natomas Levee Improvement Project has been completed, the Natomas Basin will not have 100-year flood protection. The proposed growth regulations will limit the number of additional residents exposed to conditions which create a potential health, safety, or physical risk.

Financial Considerations: Development projects in Natomas will finance the infrastructure needed to support existing and future development of Natomas.

Local Business Enterprise (LBE): Not applicable to this report.

BACKGROUND – Natomas A99 Ordinance

Proposed Ordinance

1. All new construction shall be meet the requirements of the Floodplain Management Regulations (Chapter 15.104)
2. Key Public Facilities to support existing development – no special restrictions
3. Replacement of fire damage exceeding 50% - not counted against the cap.
4. Reconstruction of existing home > 50% - not counted against cap
5. Improvements to existing buildings – no special restrictions
6. Commercial (industrial, retail, and office) – no limitations on number of building permits
7. Limiting Residential Growth:
 - Annual cap, with the year commencing on the effective date of the A99 flood designation.
 - Building permits for up to **1500** residential dwelling units per calendar year
 - *1000 single family units per year; single family dwelling unit building types*
 - Townhouses (on separate parcels)
 - Accessory dwelling unit (detached) – would count as 1 unit (If the permit is for a remodel (e.g., new wing attached to an existing residential unit or 2nd story), it would not be counted)
 - Model home temporary sales office
 - 500 multiple family units per year; building permits for *multi-family dwelling units*
 - Based on # units – rather than # of building permits
 - Duplexes – though only 1 building permit – represent 2 units
 - Triplexes – though only 1 building permit – represent 3 units
 - Includes apartments, condominiums
 - Residential care facility – based on # units (rooms – not beds)
 - Rationale for Single-Family / Multiple Family Allocation: The number of people per dwelling unit is typically lower for multiple family than single family, and the building valuation per dwelling unit is typically lower for multiple family; therefore, multiple family units impose a lower (per unit) physical risk to persons and property than single family units. The 1994 North Natomas Community Plan (as amended) provides for 1/3 of the total dwelling units to

be multiple family housing types. Accordingly, the ordinance proposes that 1/3 of the allowed dwelling units be reserved for multiple family.

- Rollover unit count: If the city issues building permits for fewer than 1,000 new single-unit dwellings, or 500 new dwelling units in multi-unit dwellings, in calendar year 2015, then the remaining number of dwelling units for which building permits could have been issued will be added to the allowed number for the 2016 calendar year.
8. Projects that meet specified criteria may exceed the cap established by this ordinance, subject to City Council approval.

Natomas Levee De-Certified in 2008

In response to revised levee criteria regarding under-seepage established by the U.S. Army Corp of Engineers, the Sacramento Area Flood Control Agency (SAFCA) commissioned the Natomas Levee Evaluation Study (NLES) in 2005. The purpose was to assess the risk of levee failure and to identify potential remedies. The NLES Final Report released on July 20, 2006 concluded that considerable improvements would be needed along the south levee of the Natomas Cross Canal (NCC), the east levee of the Sacramento River and the north levee of the American River. The study also evaluated the ability of these levee systems to withstand the 100-year flood events. The findings in the report led the U.S Army Corp of Engineers (USACE) to issue, on July 20, 2006, a letter to SAFCA stating they “can no longer support its original position regarding the certification of the levees in the Natomas area.” The NLES study proposed several remedies for the identified problems within the study. These remedies involved levee improvement and bank protection techniques, construction of cut off walls within existing levees, placement of toe rock, re-vegetation of banks, and the assessment of a setback levee along the upper five (5) miles of the east levee of the Sacramento River.

On December 29, 2006, FEMA issued a letter to the City of Sacramento notifying the City that FEMA planned to update the current Flood Insurance Rate Map (FIRM) within the Natomas Basin. FEMA has revised the FIRM for the Natomas Basin through the Physical Map Revision (PMR) process. This FIRM revision placed the Natomas Basin within a regulatory Special Flood Hazard Area (SFHA) – the AE flood designation. Revised FIRM maps became effective on December 8, 2008.

The designation of land within the Natomas Basin to Zone AE on the Flood Insurance Rate Maps for the City of Sacramento requires new and substantially improved residential buildings to be elevated to or above the base flood elevation of 33 feet, and non-residential buildings to be elevated or flood-proofed to that elevation. These restrictions, effective December 8, 2008, made construction economically infeasible.

Timing of FEMA Approval of A99 Status

Since December 8, 2008, when its levees were deemed vulnerable to seepage, Natomas has been under a de facto building moratorium with a flood designation of “AE”. In 2012, the SAFCA completed upgrades to 18 miles out the 42 total miles of Natomas levees, mostly utilizing local property tax assessments approved by Sacramento voters.

The remaining levee work has been put on hold pending federal authorization and appropriations to complete the repairs.

In order for building to resume in Natomas, FEMA would need to remap the Natomas Basin into an A99 zone. There are four major requirements for this to occur: (1) 50% of the critical project features to achieve a 100-year level of protection have been constructed, (2) 50% of the total project cost has been expended, (3) 60% of the total project cost has been appropriated, and (4) 100% of the project has been authorized.

On May 20th, the House approved the Water Resources Reform & Development Act (WRRDA) conference report, H.R. 3080, by a vote of 412 to 4. Then, on May 22, the Senate passed the bill by a vote of 91 to 7. President Obama signed the bill into law on June 10, 2014. The act authorizes 34 projects across the nation totaling \$12.3 billion.

For Natomas, the bill directs the U.S. Army Corps of Engineers to strengthen 24 miles of levees surrounding the Natomas Basin (South & North Natomas and south Sutter County). While WRRDA authorizes funding, Congress must also pass annual appropriations totaling approximately \$600 million to finish the improvements that are needed to achieve 100-year flood protection. These improvements will help protect the lives of over 100,000 residents and \$7 billion in property. The construction project is estimated to take 5-7 years to complete.

Flood insurance will continue to be mandatory until Natomas levees are certified for 100-year flood protection. That won’t happen until after the Army Corps completes the levee work years from now.

FEMA has begun a Physical Map Revision (PMR) process to revise the Flood Insurance Rate Maps (FIRM) to designate the Natomas Basin as Zone A99. FEMA estimates completing this process within 12 to 18 months. The necessary steps include:

- WRRDA signed into law (June 10, 2014) – authorized NLIP
- City / County of Sacramento submitted letter to FEMA requesting remap (June 10, 2014)
- FEMA sent an A99 “letter of approval” to City/County (late July 2014)
- Preliminary publication of maps (August 12, 2014)

- 90 day appeal period (September 10, 2014 thru December 10, 2014)
- FEMA issuance of a “Letter of Final Determination” (currently estimated mid-March 2015)
- Effective Map Date – 3 months following the Letter of Determination

In addition to meeting the immediate needs of A99 and subsequent 100-year flood protection, the City is updating its Comprehensive Flood Management Plan, and must also comply with new State requirements for 200-year flood protection by 2016. The Natomas levee improvements are being designed to meet the 200-year flood protection standards.

A99 in a Special Flood Hazard Zone

Despite the federal *authorization* of the National Levee Improvement Project, Natomas still has the potential for flood-related property damage and loss of life. City Code section 15.104.020 identifies A99 as a Special Flood Hazard Area subject to a base flood (a 1% or greater change of experiencing a flood event).

The completion of the levee project is likely at least 5-7 years out. Remaining steps include:

- Completion of a project cost sharing agreement
- Completion of a project management plan
- Federal appropriations, and a demonstrated sustainability of continued funding sufficient to complete the levee project
- A reliable time estimate for completion of the levee project.

Therefore, this uncertainty and *lack of near-term project completion* warrants a cautious approach by the City to minimize flood-related property damage and loss of life. The City must weigh the benefits of increments of economic development and completing unfinished neighborhoods, against the risk of property damage and loss of life. Staff believes that this proposal finds that balance.

Rationale for Allowing Development in A99 Zone

1. In contrast to other special flood hazard designations, FEMA guidelines for the A99 flood zone do not show base flood elevations or depths and do not limit development.
2. SAFCA commenced the Natomas Levee Improvement Program
 - a. The American River Watershed Common Features Project, Natomas Basin, is being implemented by the U.S. Army Corps of Engineers (USACE), the Central Valley Flood Protection Board (CVFPB), the California Department of Water Resources (DWR) and the Sacramento

Area Flood Control Agency (SAFCA). The Water Resources Development Act (WRDA) of 1996 and 1999 authorized the USACE to construct the American River Common Features Project which included improvements to the levees along the American and Sacramento Rivers in the vicinity of Sacramento, including portions of the Natomas Basin.

- b. Due to the urgent need to reduce flood risk for the Natomas Basin, SAFCA, in partnership with DWR and CVFPB, began constructing levee improvements in 2007, in advance of the full authorization of the Federal project, with the expectation of receiving credit for such work towards the non-Federal share of the authorized project. This program was referred to as SAFCA's Natomas Levee Improvement Program (NLIP). This effort resulted in 50% of the project levee work completed.
 - c. With passage of WRRDA 2014, the USACE is taking the lead on completion of the remaining components of the levee improvements. USACE's FY 2014 Work Plan included \$1.0 million for preconstruction engineering and design work for the Natomas Common Features. The Federal FY 2015 budget included \$675,000 to continue preconstruction engineering and design; however, the Energy and Water Appropriations Bill has not been passed. Instead, the Congress passed and the President signed a Continuing Resolution to provide funding authority through December 11, 2014. SAFCA staff is working with the USACE for sufficient funding to maintain ongoing activities.
 - d. It is anticipated the USACE will commence construction of levee improvements along the southern and eastern portions of the Natomas Basin leading to 100-year and 200-year levels of flood protection over time.
3. The Water Resources Reform and Development Act (WRRDA) of 2014 (Public Law 113-121, June 10, 2014) modified the authorized Common Features project to include additional features formulated in a comprehensive plan to reduce the systemic risk associated with seepage and stability for the ring levee system surrounding the Natomas Basin. This authorization was essential for continued USACE participation in the Natomas Basin levee improvements.
 4. Flood insurance will continue to be mandatory until Natomas levees are certified for 100-year flood protection.
 5. The City of Sacramento has adopted a robust Floodplain Management Plan (including emergency planning, additional building standards, protection of critical facilities, and identification of at-risk populations).

6. The City has implemented an early warning system (an improvement over the previous Reverse 911 System)

Natomas is Partially Developed

South Natomas is mostly built out with additional capacity of approximately 800 single family dwelling units and 200 multi-family units (based on current zoning and/or schematic plans). North Natomas has substantial capacity for new residential units: 9,500 single family units and 4,000 multi-family units.

Metric	#
Existing Population (2010)	98,838
Existing Housing Units (2010)	40,527
Existing Building Valuation	\$7 billion
Incremental Capacity – Housing Units	14,500
Fire Damaged (>50%) Homes	6
Slab Foundations	60
Vacant “Finished Lots” – North Natomas	3,669

Expectations of Market Absorption relative to the Cap

In 2014, approximately 3,000 single family homes were sold in the four-county region. Expectations for 2015 are for a slight increase in new home production and sales. At the peak of the market, approximately 1/3 of the region’s sales were in Natomas, although much more competition now exists. Since 2009, the Natomas sub-area has experienced limited marketing activity. At least initially, it is unlikely that Natomas would absorb the peak 1/3 share of the region’s single family market. Thus, it is unlikely that the cap will exceed the expected number of applications for building permits in the first year.

Active Planning Entitlements

Ordinance 2009-007 [adopted January 27, 2009] provided for an extension of “shovel ready” development projects: For sites located within Natomas, design review approvals, certificates of appropriateness, special permits, variances, and plan reviews that were valid and not expired as of the effective date of this Ordinance and to those that are approved during the period of time this Ordinance is in effect receive automatic time extensions.

Ordinance 2012-003 granted a 3-year extension of land use entitlements Citywide that were valid and had not expired as of the effective date of Ordinance 2009-008.

It was anticipated that this interim Ordinance would be repealed once the Natomas Basin is re-designated on the Flood Insurance Rate Maps for the City of Sacramento and the related flood-related restrictions on construction in the Natomas Basin are to be lifted. However, since some flood-related restrictions (growth cap) will continue under the proposed ordinance, staff recommends that the interim ordinance granting time extensions remain in place; staff will provide an annual Natomas development report to the City Council and it would be appropriate to revisit the need for the interim ordinance at that time.

Processing Applications for Planning & Map Entitlements

Entitlements (tentative maps, site plan & design review, etc.) may proceed now and need not wait until the effective date of A99 designation. Processing of Final maps may proceed now. Grading – pursuant to provisions of the NBHCP, may proceed now. Construction of underground utilities and streets may proceed now

High Priority Processing: In order to provide incentives for positive refinements to projects with approved entitlements, staff will prioritize planning and building permit applications endeavoring to change (for the betterment of the City) a project with pre-existing planning entitlements.

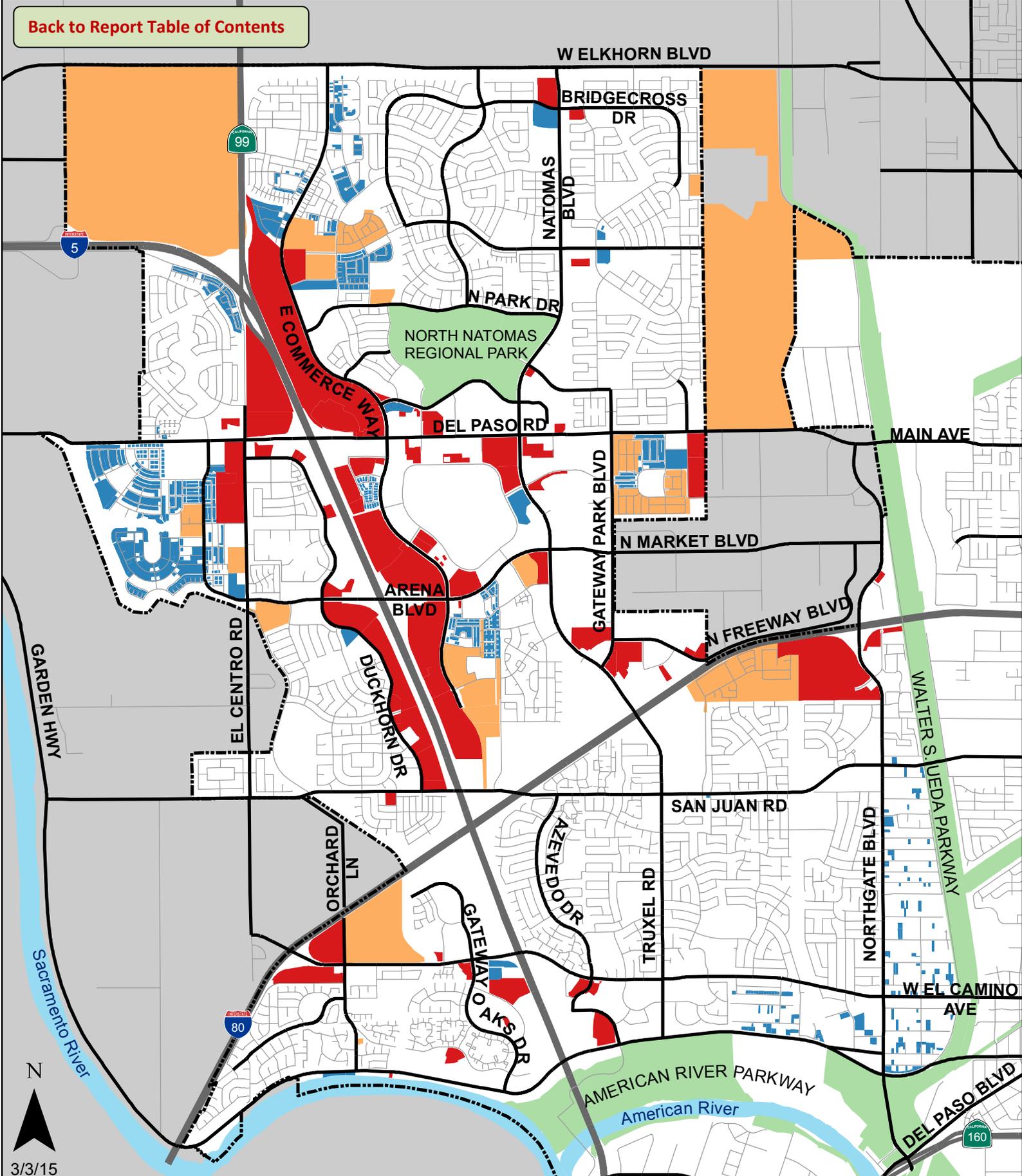
Processing Applications for Building Permits

- Building Permit application period opens upon receipt of FEMA’s Letter of Final Determination (i.e., about 90 days prior to effective date of A99 designation).
- No building permits may be issued prior to effective date of A99 designation
- Administratively, staff will monitor permit applications to ensure that we don’t get too far ahead of the ability to *issue* permits.
- Plan Review of Master Plans (not production building permits) may be processed without regard to the cap limitations.
- If a new building permit application is filed, processed and classified as “*ready to issue*” but cannot be *issued* because of cap limitations, staff will extend the life of the building permit to 30 days after the annual cap resets.
- Planning staff will prepare a supplemental Natomas Planning Referral sheet (checklist) to be completed prior to allowing the applicant to apply for a building permit. This supplemental PR sheet will provide information on HCP mitigation, applicability of development fees and a “hold harmless agreement”. In addition, staff will determine whether the building permits can be accommodated within the development cap.

Reporting Procedures

1. Staff will provide an annual report to the City Council regarding the progress and effectiveness of A99 development phasing and progress on meeting flood protection goals. The annual report following calendar year 2016 will be especially comprehensive. The annual report will provide the Council with the opportunity to direct staff to modify or repeal the ordinance, as appropriate.

Staff will track the number of permits issued on a dashboard on a North Natomas web page. This web page will include a list of Frequently Asked Questions (FAQs).



3/3/15

- Vacant Non-Residential
- Vacant Residential with Finished Lots
- Vacant Residential without Final Map

Natomas Vacant Sites

ORDINANCE NO.

Adopted by the Sacramento City Council

AN ORDINANCE ADDING SECTION 15.104.065 TO ARTICLE 1 OF CHAPTER 15.104 OF THE SACRAMENTO CITY CODE RELATING TO ZONE A99 FLOOD DESIGNATION

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Section 15.104.065 is added to Article 1 of Chapter 15.104 of the Sacramento City Code to read as follows:

15.104.065. Zone A99 regulations

A. Statement of purpose and findings of fact.

1. This section is designed to protect the public health and safety, and protect against physical risk to persons and property and losses due to flood conditions in the portion of the Natomas Basin within the city under a Zone A99 flood designation.

2. Land within the Natomas Basin has historically been subject to periodic flooding. To mitigate flood risk, a system of levees was constructed around the basin's perimeter. For communities protected by levees, FEMA's regulations require a professional engineer's certification that the levees meet federal requirements for design, construction, maintenance, and operation, to protect against a 100-year flood. (See the National Flood Insurance Act of 1968, set out in 42 U.S.C. § 4001 et seq.; see also FEMA's implementing regulations, set out in 44 C.F.R. Parts 59.1, 60, and 61.)

3. In 2006, primarily because of concern about a phenomenon known as "underseepage," the United States Army Corps of Engineers (the Corps) determined that it could no longer certify the Natomas Basin levee system as providing protection from a 100-year flood. In 2008, the Corps completed additional analysis and determined that the levee system may not provide protection from a flood with a 3% chance of occurring in any given year.

4. Based on the Corps's determinations, FEMA determined in 2008 that the Natomas Basin is a special flood hazard area and designated the

basin as Zone AE on the basin's FIRM, indicating a 1% annual risk of flooding and a 26% chance of flooding over the term of a 30-year mortgage. As a result, since December 2008 property owners in the Natomas Basin have been required to carry flood insurance for their homes and businesses, and new development has been severely limited: among other things, with some limited exceptions, the lowest floor of new building must be one foot above the base flood elevation. In addition, properties that suffer substantial damage are currently subject to stringent restrictions on rebuilding: if a structure suffers a catastrophic event and the restoration cost equals or exceeds 50% of the structure's pre-damage value, then in most cases the structure must be brought into compliance with regulations that govern new construction on land designated as Zone AE, including the requirement that the lowest floor be one foot above base flood elevation. Because the base flood elevation in the Natomas Basin is 33 feet, the Zone AE designation has effectively stopped both new construction and the restoration of substantially damaged existing buildings.

5. Working with the Corps and other agencies, the Sacramento Area Flood Control Agency (SAFCA) is currently carrying out the Natomas Levee Improvement Program (the NLIP) to address the deficiencies in the levee system. The immediate goal of the NLIP is to provide the Natomas Basin with protection against a 100-year flood as soon as possible; the long-term goal is to achieve protection against a 200-year flood (a flood with a 0.5% chance of occurring in any given year).

6. In early December 2012, in reliance on SAFCA's A99 Eligibility Summary Report, the city, Sacramento County, and Sutter County requested that FEMA approve a revision of the Natomas Basin FIRM from Zone AE to Zone A99, with final approval contingent on congressional authorization of the Corps's remaining work. Zone A99 is an interim designation that will allow new development to proceed without elevation while the improvements needed to provide 100-year protection are under construction—but it is still a special flood hazard area. Property owners would need to maintain flood insurance until 100-year protection is achieved and FEMA changes the basin's designation on the FIRM from Zone A99 to Zone X (Shaded).

7. The 2014 Water Resources Reform & Development Act (WRRDA) directs the Corps to strengthen 24 miles of levees surrounding the Natomas Basin. While WRRDA authorizes funding, Congress must also pass

annual appropriations totaling approximately \$600 million to finish the improvements that are needed to achieve 100-year flood protection.

8. Completion of the NLIP could be delayed for a variety of reasons, including longer-than-expected construction periods and delays in receiving local, state, or federal funding.

9. There are over 100,000 residents in the Natomas Basin and approximately \$7 billion worth of damageable property. Flooding can result in property damage, loss of life, health and safety hazards, and disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base, all of which adversely affect the public health, safety, and general welfare.

10. The city must regulate construction in all floodplains and floodways to protect life and property, and to promote the orderly development and wise use of the city's floodplains.

11. The city must consider the status of the NLIP and the factors outlined above and balance them against housing inventory; infrastructure financing; investment-backed expectations; development entitlements; the city's ongoing update to its Floodplain Management Plan, which includes emergency planning, additional building standards, protection of critical facilities, and identification of at-risk populations; and the city's new early warning system.

12. The city council finds that the full measure of relief from building restrictions that is allowed under a Zone A99 interim designation does not strike the appropriate balance of these interests at this time, considering risks of flooding and the reasonable and feasible actions already taken or underway to mitigate potential damage with new development in a special flood hazard area. The city council finds that limiting the number of dwelling units developed in each year is necessary to protect the public health and safety, and protect against physical risk to persons and property and losses due to flood conditions in the portion of the Natomas Basin within the city under a Zone A99 flood designation. Based on interpretation of 2010 Census data, the population per dwelling unit is typically less for multiple dwelling units than for single units—resulting in fewer persons and property at risk. At a citywide level, for Census blocks with predominantly multiple dwelling unit types, the average household size was 2.1 persons per household. For Census blocks with predominantly single dwelling unit types, the average household size was 2.7 persons per household. The Sacramento

Area Council of Government's regional traffic models differentiate by building types with smaller attached units generating smaller household sizes than larger detached building types. Multiple dwelling unit types typically comprise fewer square feet per dwelling unit than single unit types, indicating the damageable property per dwelling unit is lower for multiple unit types. The city anticipates approximately two-thirds of the build-out housing units in Natomas as single dwelling unit types, and one-third as multi-unit types. The city council finds that any residential development limitation should be a balance between single and multiple dwelling unit types.

13. To protect the public health and safety consistent with the above it is necessary to enact the limitations set forth in subsection B on development while Zone A99 designation is in effect.

B. Dwelling units.

In addition to compliance with the other provisions of this chapter, issuance of building permits for new dwelling units located within Zone A99 is subject to the following:

1. Limit on number of dwelling units.

a. For purposes of this section the following definitions apply. "Dwelling unit" means one or more rooms that include permanent provision for living, sleeping, eating, cooking, and sanitation that are occupied for residential purposes by one or more persons living as a single housekeeping unit. All rooms within a dwelling unit must have their principal entrance from inside the dwelling unit. "Single-unit dwelling" means a structure designed for residential occupancy containing not more than one dwelling unit. "Multi-unit dwelling" means a structure designed for residential occupancy containing two or more dwelling units, or single-unit dwellings sharing a common wall.

b. The city may issue building permits for not more than 1,000 new single-unit dwellings in a calendar year. The city may issue building permits for not more than 500 new multi-unit dwellings in a calendar year. The following are not new dwelling units for purposes of this subsection:

1. Substantial improvement of an existing dwelling unit.

2. Improvement of an existing dwelling unit to correct violations of existing state or local health, sanitary, or safety code specifications which are the minimum necessary to assure safe living conditions.

3. Alteration of an historic structure if the alteration will not preclude the structure's continued designation as a historic structure.

c. If the city issues building permits for fewer than 1,000 new single-unit dwellings, or 500 new dwelling units in multi-unit dwellings, in calendar year 2015, then the remaining number of dwelling units for which building permits could have been issued will be added to the allowed number for the 2016 calendar year.

2. Additional dwelling units.

The city may issue building permits for dwelling units in excess of the limit in subsection B.1, above, if the city council by resolution makes the following findings:

a. Allowing the units is consistent with protecting the public health and safety; and

b. Allowing the units is consistent with the actions already taken or underway to mitigate potential damage relating to new development in a special flood hazard area; and

c. Allowing the units promotes the orderly development and wise use of the city's floodplains.