Title: (City Council/Housing Authority/Redevelopment Agency Successor Agency) Sacramento Area Flood Control Agency’s Assessment Vote for City, Housing Authority, and Redevelopment Agency Successor Agency Owned Properties

Location: Citywide

**Recommendation:** 1) Pass a City Council Resolution authorizing the City Manager or City Manager’s designee to vote City-owned parcel ballots in favor of the Sacramento Area Flood Control Agency assessment; 2) pass a Housing Authority Resolution authorizing the Executive Director or Executive Director’s designee to cast ballots, and to take all reasonable actions necessary, to approve, adopt and implement the proposed Consolidated Capital Assessment District of the Sacramento Area Flood Control Agency on behalf of the Housing Authority of the City of Sacramento; and 3) pass a Redevelopment Agency Successor Agency (RASA) Resolution authorizing the City Manager or City Manager’s designee to vote RASA owned parcel ballots in favor of the Sacramento Area Flood Control Agency Assessment.

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**Presenter:** Randi L. Knott, Director of Governmental Affairs, (916) 808-5771, Office of the City Manager

**Department:** City Manager / Finance, City Attorney's Office

**Division:** Executive Office

**Dept ID:** 02001011

**Attachments:**
1- Description/Analysis
2- City Resolution
3- Housing Authority Resolution
4- RASA Resolution

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**City Attorney Review**
Approved as to Form
Sheryl Patterson
5/11/2016 1:52:05 PM

**Approvals/Acknowledgements**
Department Director or Designee: Howard Chan - 4/29/2016 11:23:15 AM
Description/Analysis

Issue Detail: The City of Sacramento, Housing Authority of the City of Sacramento (HA) and the Redevelopment Agency Successor Agency (RASA) have received ballots for the Sacramento Area Flood Control Agency (SAFCA) assessment for each parcel that the City, Successor Agency and Housing Authority own respectively. Ballots must be completed and submitted to SAFCA on or before May __, 2016.

Policy Considerations: In 2007, SAFCA formed the Consolidated Capital Assessment District (CCAD) to fund the local cost share for projects to protect Sacramento from extreme floods. This assessment generated about $320 million in revenue including $240 million for capital costs and $80 million for long-term operation and maintenance of completed projects. The capital funds were used to provide the local share of the cost of building a new auxiliary spillway at Folsom Dam and improving the levees along the American River, around the Natomas basin, and in the South Sacramento area. This local cost share represents 20 percent of the total cost of these projects.

Since 2007, new federal and state flood protection standards have been adopted that require additional improvements not anticipated by the CCAD. These additional improvements would address underseepage, erosion and encroachment issues that federal studies have shown to be the most likely cause of levee failures. Without these improvements, the U.S. Army Corps of Engineers (Corps) has determined that many levees in Sacramento do not meet the current design standards to provide at least a 100-year level of flood protection. As a result, property owners in the Natomas area are currently required to maintain flood insurance. This requirement will likely extend to property owners in other parts of Sacramento, such as North Sacramento downtown, Land Park and the Pocket areas if identified weaknesses are not quickly addressed.

In addition, the State Legislature has adopted new laws making continued growth in levee protected areas contingent on achieving at least a state defined 200-year level of flood protection by 2025.

In response to these developments, SAFCA has worked with the state and the Corps to identify the improvements needed to achieve 100-year protection, 200-year protection and ultimately more than 200-year protection in all areas of Sacramento. These improvements include installing deep cutoff walls along levees in North Sacramento, Natomas and the lower Sacramento River (various levee segments from downtown Sacramento through the Pocket) as well as implementing river bank erosion protection measures along the American and Sacramento Rivers.

Environmental Considerations: The recommendation in this report is for voting the special assessment ballots to approve a government funding mechanism which does not constitute a "project" and therefore is exempt from environmental review under the California Environmental Quality Act (CEQA) according to Section 15378(b)(4) of the CEQA Guidelines.
Sustainability: Not applicable

Commission/Committee Action: Not Applicable

Rationale for Recommendation: The City’s top federal legislative priority is flood control and the safety of its citizens. Thus, voting in favor of the assessment is consistent with the City’s legislative platform and principles and its commitment to public safety.

Financial Considerations: The City’s annual cost for the new assessment would be approximately $491,024, based on 1,617 parcels owned by the City. The City is currently paying an annual SAFCA assessment in the amount of $428,379 which will be eliminated and replaced by the new assessment. Thus, the net increase in cost to the City for the new assessment would be approximately $62,645 annually for 30 years, beginning in 2017. The cost could increase to the extent vacant lots become occupied.

The RASA annual cost for the new assessment would be approximately $17,994, based on 268 parcels previously owned by the Redevelopment Agency. The RASA is currently paying an annual SAFCA assessment in the amount of $12,838 which will be eliminated and replaced by the new assessment. Thus, the net increase in cost to the RASA for the new assessment would be approximately $5,156 annually for 30 years, beginning in 2017. However, RASA is in the process of selling the prior Agency properties, so the on-going assessments would be paid by the purchasers.

The HA’s annual cost for the new assessment would be approximately $39,009, based on 303 parcels owned by the HA. The HA is currently paying an annual SAFCA assessment in the amount of $21,810 which will be eliminated and replaced by the new assessment. Therefore, the net increase in cost to the HA for the new assessment would be approximately $17,199 annually for 30 years, beginning in 2017.

More than 85 percent of the capital cost of the flood control work will be borne by the State and the Federal Government and SAFCA needs to provide the required local matching funds. The amount of local revenue that this assessment will generate is about $496.8 million that will go toward the $3.64 billion in project expenses and $227.4 million for ongoing operations and maintenance costs over the 30 year term of the assessment.
RESOLUTION NO. 2016-____

Adopted by

Sacramento City Council

AUTHORIZING CITY MANAGER TO CAST VOTES IN FAVOR OF SACRAMENTO AREA FLOOD CONTROL AGENCY’S ASSESSMENT FOR CITY OWNED PROPERTY

BACKGROUND

A. The City’s top legislative priority is flood control and the safety of its citizens.

B. The proposed Sacramento Area Flood Control Agency (SAFCA) assessment would pay for the City’s share of the cost of a variety of improvements needed to achieve a 200-year level of flood protection for the Sacramento area.

C. The City’s annual cost for the new assessment would be $491,024. The City is currently paying an annual SAFCA assessment in the amount of $428,379 which will be eliminated and replaced by the new assessment. Thus, the net increase in cost to the City for the new assessment would be $62,645.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager of his designee is authorized to vote City-owned parcel ballots in favor of the SAFCA assessment.
RESOLUTION NO. 2016-____

Adopted by the Housing Authority of the City of Sacramento

AUTHORIZATION FOR THE EXECUTIVE DIRECTOR OR HER DESIGNEE TO CAST VOTES IN FAVOR OF THE SACRAMENTO AREA FLOOD CONTROL AGENCY’S PROPOSED CONSOLIDATED CAPITAL ASSESSMENT DISTRICT

BACKGROUND

The Housing Authority of the City of Sacramento needs to have the Executive Director or her designee be authorized to cast ballots and implement certain proposed assessments of the Sacramento Area Flood Control Agency.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. The Executive Director, or her designee, is authorized to cast ballots, and to take all reasonable actions necessary, to approve, adopt and implement the proposed Consolidated Capital Assessment District of the Sacramento Area Flood Control Agency on behalf of the Housing Authority of the City of Sacramento.
RESOLUTION NO. 2016-____

Adopted by

Redevelopment Agency Successor Agency

AUTHORIZING CITY MANAGER TO CAST VOTES IN FAVOR OF SACRAMENTO AREA FLOOD CONTROL AGENCY’S ASSESSMENT FOR RASA OWNED PROPERTIES

BACKGROUND

A. The proposed Sacramento Area Flood Control Agency (SAFCA) assessment would pay for the RASA share of the cost of a variety of improvements needed to achieve a 200-year level of flood protection for the Sacramento area.

B. RASA annual cost for the new assessment would be $17,994. RASA is currently paying an annual SAFCA assessment in the amount of $12,838 which will be eliminated and replaced by the new assessment. Thus, the net increase in cost to RASA for the new assessment would be $5,156.

C. RASA is required to dispose of prior Redevelopment Agency properties and the purchasers would be liable for paying the SAFCA assessment.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:

Section 1. The City Manager on behalf of RASA is authorized to vote RASA owned parcel ballots in favor of the SAFCA assessment.